



MACFOS LIMITED  
CIN: U29309PN2017PLC172718

Registered Office	Contact Person	Email and Telephone	Website
S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra	Mr. Sagar Subhash Gulhane, Company Secretary & Compliance Officer	Tel No: +91-022-68197600; E-mail - <a href="mailto:cs@robu.in">cs@robu.in</a>	<a href="http://www.robu.in">www.robu.in</a>

Promoters of Our Company: Atul Maruti Dumbre, Binod Prasad, Nileshkumar Purshottam Chavhan

#### DETAILS OF THE OFFER

Type	Offer for Sale Size	Total Offer Size	Eligibility
Offer For Sale	Offer for sale of up to 23,28,000 Equity Shares aggregating up to Rs. [●] lakhs	Up to Rs. [●] Lakhs	THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. FOR DETAILS IN RELATION TO SHARE RESERVATION AMONG QIBS, NIIS AND RIBS, SEE "OFFER STRUCTURE" ON PAGE 205.

#### DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION –

For further details see "Other Regulatory and Statutory Disclosures" on page 188.

Name of Selling Shareholder	Type	No. of Shares Offered	WACA in Rs. per share
Jayesh Jain	Promoter Group	Up to 22,08,850 Equity Shares	1.14
Atul Maruti Dumbre	Promoter	Up to 39,750 Equity Shares	1.14
Binod Prasad	Promoter	Up to 39,700 Equity Shares	1.14
Nileshkumar Purshottam Chavhan	Promoter	Up to 39,700 Equity Shares	1.14

#### RISK IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is Rs. 10 per share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company and selling shareholders in consultation with the BRLMs), 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 Offer Price" beginning on page 68, should not be considered 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 investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24 of this Draft Red Herring Prospectus.


#### ISSUER'S & SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.


#### LISTING

The Equity Shares Offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of BSE in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Offer, the Designated Stock Exchange will be the BSE Limited ("BSE")

#### BOOK RUNNING LEAD MANAGER TO THE OFFER

Name and Logo	Contact Person	Email & Telephone
 Hem Securities Ltd.	Mr. Akun Goyal	Email: <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a> Tel No.: +91- 022- 49060000 Fax No.: +91- 022- 22625991

#### REGISTRAR TO THE OFFER

Name and Logo	Contact Person	Email & Telephone
 Bigshare Services Pvt. Ltd.	Mr. Babu Raphel	Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Tel No.: +91-022-62638200 Fax No.: +91-022-62638299

#### OFFER PROGRAMME

ANCHOR INVESTOR BID/ OFFER PERIOD*: [●]	BID/ OFFER OPENS ON:[●]	BID/ OFFER CLOSE ON**:[●]
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\*Our Company and the Selling Shareholders in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.



**MACFOS LIMITED**  
CIN: U29309PN2017PLC172718

Our Company was incorporated as "Macfos Private Limited" on September 26, 2017 vide certificate of incorporation bearing CIN U29309PN2017PTC172718 under the provisions of the Companies Act, 2013 issue by Central Registration Centre, Registrar of Companies. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on December 28, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from "Macfos Private Limited" to "Macfos Limited" vide a fresh certificate of incorporation dated January 06, 2023 issued by the Registrar of Companies, Pune bearing CIN U29309PN2017PLC172718. For further details please refer to chapter titled "History and Corporate Structure" beginning on page 104.

**Registered Office:** S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune, Maharashtra, 411015

**Contact Person:** Mr. Sagar Subhash Gulhane, Company Secretary & Compliance Officer

**Tel No:** +91-20-68197600 ; **E-mail -** [cs@robu.in](mailto:cs@robu.in); **Website:** [www.robu.in](http://www.robu.in)

**Promoters of Our Company:** Atul Maruti Dumbre, Binod Prasad, Nileshkumar Purshottam Chavhan

#### THE OFFER

INITIAL PUBLIC OFFERING OF UPTO 23,28,000 EQUITY SHARES OF FACE VALUE OF Rs.10/- EACH (THE "EQUITY SHARES") OF MACFOS LIMITED("OUR COMPANY" OR "MFL") AT AN OFFER PRICE OF Rs.[●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO Rs.[●] LAKHS("PUBLIC OFFER") COMPRISING AN OFFER FOR SALE OF UP TO 23,28,000 EQUITY SHARES AGGREGATING UP TO RS. [●] LAKHS, COMPRISING 22,08,850 EQUITY SHARES, AGGREGATING UP TO Rs. [●] LAKHS, BY JAYESH JAIN, UP TO 39,750 EQUITY SHARES, AGGREGATING UP TO Rs. [●] LAKHS BY ATUL MARUTI DUMBRE, UP TO 39,700 EQUITY SHARES, AGGREGATING UP TO Rs. [●] LAKHS BY BINOD PRASAD, UP TO 39,700 EQUITY SHARES, AGGREGATING UP TO Rs. [●] LAKHS BY NILESHKUMAR PURSHOTTAM CHAVHAN (COLLECTIVELY REFERRED AS SELLING SHAREHOLDERS) ("OFFER FOR SALE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE 26.35% AND [●]% RESPECTIVELY OF THE POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND PUNE EDITION OF [●]), A MARATHI REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF PUNE WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), 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 Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% 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% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank 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 Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 209 of this Draft Red Herring Prospectus.

#### RISK IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is Rs. 10 per share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLMs), 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 Offer Price" beginning on page 68, should not be considered 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 investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24 of this Draft Red Herring Prospectus.

#### ISSUER'S & SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

#### LISTING

The Equity Shares Offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Offer, the Designated Stock Exchange will be the BSE Limited ("BSE")

#### BOOK RUNNING LEAD MANAGER TO THE OFFER

 **Hem Securities Ltd.**

**HEM SECURITIES LIMITED**  
904, A Wing, Naman Midtown, Senapati Bapat Marg,  
Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000  
**Fax No.:** +91- 022- 22625991  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Contact Person :** Mr. Akun Goyal  
**SEBI Regn. No.** INM000010981

#### REGISTRAR TO THE OFFER

 **Bigshare Services Pvt. Ltd.**

**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:-** 1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai - 400059  
**Tel No.:** +91-022-62638200  
**Fax No.:** +91-022-62638299  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Contact Person:** Mr. Babu Raphael  
**SEBI Regn. No.:** INR000001385

#### OFFER PROGRAMME

ANCHOR INVESTOR BID/ OFFER PERIOD*: [●]	BID/ OFFER OPENS ON:[●]	BID/ OFFER CLOSE ON**:[●]
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\*Our Company and the Selling Shareholders in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992(“ SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 73, 119 and 236 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Terms</b>	<b>Description</b>
“MFL”, “the Company”, “our Company”, “Issuer” and “Macfos Limited”	Macfos Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered office at S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Offer

#### Company related and Conventional terms

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of our Company, as amended, from time to time
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Kishor Gujar & Associates (Firm Registration No. as 116747W).
Bankers to our Company	ICICI 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 “Our Management” beginning on page 107 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Binod Prasad
CIN	Corporate Identification Number
Companies Act / Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mr. Sagar Subhash Gulhane (M. No.: A67610)
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the

	Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 107 of this Draft Red Herring Prospectus.
Ind AS or Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
ISIN	International Securities Identification Number. In this case being [●]
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 107 of this Draft Red Herring Prospectus.
LLP	Limited Liability Partnership
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Macfos Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Mr. Atul Maruti Dumbre
Materiality Policy	The policy adopted by our Board on January 12, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act , 1999 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 Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. Kishor Gujar& Associates (Firm Registration No. as 116747W).
Promoter(s)	Shall mean promoters of our Company i.e. Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purshottam Chavhan. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 114 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 114 of this Draft Red Herring Prospectus.
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.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	Restated financial statements of our Company which comprise the restated statement of assets and liabilities as at and for the period ended September 30, 2022 and financial years ended March 31, 2022,2021 and 2020 and the statement of profit and loss and for the period ended September 30, 2022 and financial years ended March 31, 2022, 2021 and 2020 and the summary of significant accounting policies, read with annexures and notes thereto and the examination reports thereon and other financial information for the financial years then ended, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Draft Red Herring Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time and included in the section

	titled “Financial Information” on page 119 of this Draft Red Herring Prospectus.
RoC/ Registrar of Companies	Registrar of Companies, Pune, Maharashtra, PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune - 411044 Maharashtra
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Atul Maruti Dumbre, Binod Prasad, Nileshkumar Purshottam Chavhan and Jayesh Jain.

### **Offer Related Terms**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Offer of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Offer to the successful applicants.
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
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
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 Managers during the Anchor Investor Bid/ Offer 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 Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer 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 Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, 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.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
ASBA Application Location(s)/	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New

Specified Cities	Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Offer who apply(ies) through the ASBA process except Anchor Investor.
ASBA Form/ Bid cum Application	An Application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Bankers to the Offer/ Public Offer Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account will be opened, in this case being [●]
Banker to the Offer Agreement	Agreement dated [●] entered into amongst the Company, the selling shareholders, Book Running Lead Manager, the Registrar, Sponsor Bank/Banker to the Offer.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the Offer and which is described in the chapter titled “Offer Procedure” beginning on page 209 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period 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 Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pune Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pune Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date or the QIB Bid/ Offer Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Offer in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker.
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the

	Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Offer Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
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 Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Offer and the Stock Exchange.
Cut Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors 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 applicants 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.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Offer Account in terms of the Draft Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Stock Exchange	SME Platform of BSE Limited ("BSE SME")
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated January 19, 2023 issued in accordance with Section 26 of the Companies Act, 2013
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs.10.00 each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.



Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
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 Bidder/Applicant	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer 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
Fulfillment Centre	Our Warehouse facility situated at Pune.
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 (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by the SEBI.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE(SME platform.). In our case, [●] is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs.10 each at an Offer price of Rs. [●] each is aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this Offer.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of [●] equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share (the "Offer Price"), including a share premium of Rs. [●] per equity share aggregating to Rs. [●] Lacs.
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non Institutional Investors, subject to valid Bids being received at or above the Offer Price.
Offer/Public Offer/Initial Public Offering/ IPO/Issue/Issue Size	The Initial Public Offer of upto 23,28,000 Equity shares of Rs. 10/- each at Offer price of Rs. [●]/- per Equity share, including a premium of Rs. [●]/- per equity share aggregating to Rs. [●] lakhs comprising of offer for sale of upto 23,28,000 Equity shares aggregating to Rs. [●] lakhs.

Offer Agreement	The Offer Agreement dated January 12, 2023 between our Company, Selling Shareholders, Jayesh Jain, Atul Maruti Dumbre, Nileshkumar Purshottam Chavhan, Binod Prasad and Book Running Lead Manager, Hem Securities Limited.
Offer Proceeds	Our Company will not receive any proceeds from the Offer.
Offered Shares	Offer of upto 23,28,000 Equity shares aggregating to Rs. [●] lakhs being offered for sale by the selling shareholders in the offer
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 Offer.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
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.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Offer Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Offer Price, size of the Offer and certain other information.
Public Offer Account	Account to be opened with the Bankers to the Offer to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
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 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 Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 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 and systemically important non-banking financial companies.
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.

Registrar/ Registrar to the Offer/ RTA/ RTI	Registrar to the Offer, in this case being Bigshare Services Private Limited.
Registrar Agreement	The agreement dated January 16, 2023 entered into among our Company, selling shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/Sub-Syndicate Members) who hold valid membership either BSE 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 the website of the Stock Exchange.
Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulation S	Regulation S under the Securities Act
Reservation Portion	The portion of the Offer reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Retail Portion	The portion of the Issue being not less than 35% of the Net Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Applications or any previous Revision Form(s).
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI LODR/SEBI (Listing Obligations and Disclosure Requirement) Regulations/ Listing Regulations/	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Offer registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI(PFUTP)Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through the Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Offer registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments

	Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Selling Shareholders	Collectively Jayesh Jain, Atul Maruti Dumbre, Nileshkumar Purshottam Chavhan and Binod Prasad.
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The agreement dated [●], entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI. In this case being [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate Member(s)	Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely [●].
Syndicate or Members of the Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriter, LM, selling shareholders and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
“UPI Circulars”	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and 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, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, Circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular 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 any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard from time to time
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI Mandate Request/ Mandate	A request (intimating the RII by way of notification on the UPI application and by way of a

Request	SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### **Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
COD	Cash on Delivery
DIY learning kits	Do it yourself learning kits
E-bike/E-Vehicles	Electric Bike / Electric Vehicle
EBITDA	EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
EBITDA Margin	EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
ERP	Enterprise Resource Planning
FDM 3d Printing	Fused Deposition Modeling 3d Printing
FPV Cameras	First-person view Camera
IoT	Internet of things
IC	Integrated Circuit
LiDAR sensor	Light Detection and Ranging sensor
Number of orders	Number of orders indicates the count of sales orders which we have received from the customers for the year/period.
Number of customers	Number of customers indicates the count of customers who contributed to revenue from operations for the year/period.
PAT	PAT is calculated as Profit before tax – Tax Expenses
PAT Margin	PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations
PCB	Printed circuit board
RC	Radio Control
Return on Capital Employed	Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}
Return on Equity	Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
SLA 3d printing	Stereolithography 3d printing
SKU	Stock Keeping Unit
R & D	Research and development (R&D)

Revenue from operations	Revenue from operations is the total revenue generated by our Company from the sale of products
UAV	Unmanned Aerial Vehicle

### **Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs. / Rupees/ INR	Indian Rupees
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
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	Bombay Stock Exchange
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
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 & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
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.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	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 Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
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.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IT Act	Information Technology Act, 2000
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India

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
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
Lac/Lakh/Lakhs	Lakh
LM	Book Running Lead Manager
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA/ Ministry of Corporate Affairs	Ministry of Corporate Affairs, GoI
Mn/mn	Million
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
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 or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum



PF	Provident Fund
PG	Post Graduate
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
RaD Report	Reports and Data Report
R&D	Research & Development
Rs. or Rs.	Rupees, the official currency of the Republic of India
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
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
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, 2014, 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 Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI (PFUTP) Regulations / PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip

Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

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

### **Certain Conventions**

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

In this DRHP, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this DRHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### **Use of Financial Data**

Unless stated otherwise, throughout this DRHP, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the DRHP is derived from our restated financial information prepared for the half year ended September 30, 2022 and the financial year ended 31<sup>st</sup> March 2022, 2021 and 2020 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 119 of this DRHP.

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

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the DRHP unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of the Company” beginning on page 119 of this DRHP. We do not have any Subsidiary Company as on date of the DRHP. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

For additional definitions used in this DRHP, see the section “*Definitions and Abbreviations*” on page 1 of this DRHP. In the section titled “*Main Provisions of the Articles of Association*”, on page 236 of the DRHP defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

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

Although, we believe industry and market data used in the DRHP is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Offer Price*” on page 68 of the DRHP includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

## **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “Rs.” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled **“Industry Overview”** throughout the DRHP all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in **“Risk Factors”**, **“Our Business”**, **“Management's Discussion and Analysis of Financial Conditions and Results of Operations”** on page 24, 84 and 171 respectively of this DRHP, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The DRHP contains conversion 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, 2018. 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.

## FORWARD LOOKING STATEMENTS

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

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

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans ;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Uninsured Losses;
16. conflicts of interest with the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoter;
19. The performance of the financial markets in India and globally;
20. Impact of covid-19 on our business and operations; and
21. Global distress due to pandemic, war or by any other reason.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 24, 84 and 171 respectively of the DRHP. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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

## SECTION II: SUMMARY OF DRAFT RED HERRING PROSPECTUS

### SUMMARY OF BUSINESS

We are primarily an e-commerce based Company focused on the marketing of a broad range of electronic components which finds application in basic and advanced engineering products & projects, including emerging technologies such as IoT, Robotics, Automations, Drone, Electric Vehicles, 3D Printing and Auto Guided Vehicles. Our broad portfolio consists of over +12,000 SKU's of electronics components and parts that facilitate consumers such as manufacturers, electrical & mechanical engineering students, educational institutions, researchers and developers, to turn their ideas into reality as well as to speed up their product R&D and prototyping cycle.

### SUMMARY OF INDUSTRY

The electronics market has grown at a CAGR of 14% from 2016-19 and is expected to accelerate at a CAGR of 16.6% in 2020-25, with the total demand likely to account for US\$ 540 in FY25. India has been one of the largest consumers of electronic products specifically in Asia-Pacific due to factors such as rising per capita disposable incomes and consumption in the past decade. India's e-commerce sector has transformed the way business is done in India and has opened up various segments of commerce ranging from business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C) and consumer-to-business (C2B). The overall e-commerce market is also expected to reach US\$ 350 billion by 2030, and will experience 21.5% growth in 2022 and reach US\$ 74.8 billion. (Source – IBEF)

### NAME OF PROMOTERS

The Promoters of our Company are Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purshottam Chavhan.

### OFFER SIZE

Offer of up to 23,28,000 Equity Shares of face value of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per aggregating up to Rs. [●] lakhs by the Selling Shareholders, of which [●] equity shares of face value of ₹ 10.00 each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakh will be reserved for subscription by market maker to the offer (the "Market Maker Reservation Portion"). The Offer less the Market Maker Reservation Portion i.e. Net offer of [●] equity shares of face value of ₹ 10.00 each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakh are herein after referred to as the "Net Offer". The Offer and the Net Offer will constitute 26.35% and [●] respectively of the post offer paid up equity share capital of the company.

### OBJECTS OF THE OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to 23,28,000 Equity Shares by the Selling Shareholders aggregating up to Rs. [●] and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. For further details, see "Objects of the Offer" on page 66.

### PRE-OFFER SHAREHOLDING OF PROMOTERS, PROMOTER GROUP & SELLING SHAREHOLDERS

The aggregate pre-offer and post-offer shareholding of the promoter and promoter group as a percentage of the paid-up capital of the issuer is as below-

Sr. No	Names	Pre-Offer		Post-Offer*	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Binod Prasad**	22,08,850	25.00	21,69,150	24.55
2.	Atul Maruti Dumbre**	22,08,850	25.00	21,69,100	24.55
3.	Nileshkumar Purshottam Chavhan**	22,08,850	25.00	21,69,150	24.55
	<b>Promoter Group</b>				
4.	Jayesh Jain**	22,08,850	25.00	0	-
5.	Laxmi Kumari	4	negligible	4	negligible
6.	Manali Anilrao Pawar	4	negligible	4	negligible

7.	Suvidha Atul Dumbre	4	negligible	4	negligible
8.	Amruta Avinash Dere	4	negligible	4	negligible
9.	Sakshi Garg	4	negligible	4	negligible
	<b>Total</b>	<b>88,35,420</b>	<b>100.00</b>	<b>65,07,420</b>	<b>73.65</b>

\*Assuming full subscription to the offer.

\*\*Out of the above, Jayesh Jain, Binod Prasad, Atul Maruti Dumbre & Nileshkumar Purshottam Chavhan (“Selling Shareholders”) are offering 22,08,850, 39,700, 39,750 and 39,700 equity shares respectively to public in this Offer.

## SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated financial statements for past 3 years and stub period in tabular format:

Sr. No.	Particulars	Period ended/As at September 30, 2022	Amt (₹ in Lakh)		
			Year ended/As at March 31,		
			2022	2021	2020
1.	Paid up Share Capital	1.01	1.01	1.01	1.00
2.	Net worth	1,207.78	911.93	310.66	52.55
3.	Total Revenue	3,605.40	5,587.07	2,733.76	1,622.16
4.	Profit After Tax	295.85	601.27	158.31	32.97
5.	Earnings Per Share – Basic & Diluted*	3.35	6.81	1.82	0.38
6.	NAV per Equity Shares (based on weighted average shares)	13.67	10.32	3.56	0.60
7.	Total Borrowings	938.00	603.26	350.13	433.12

\* Not annualized.

## AUDITORS QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

There are no such Auditor’s Qualifications in the Financial Statements of the Company which requires any effect to be given in the restated financial statement.

## OUTSTANDING LITIGATIONS

### Tax Proceedings/Matters involving our Company:-

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)
<b>Company</b>		
Direct Tax (Income Tax)	3	0.43
Indirect Tax	-	-
<b>Total</b>	<b>3</b>	<b>0.43</b>

\*To the extent ascertainable

### Tax Proceedings/Matters involving our Promoter & Directors:-

Nature of Proceedings	Number of cases/matters	Amount involved (Rs. in lakhs)
Direct Tax	-	-
Indirect Tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The amount has been mentioned to the extent ascertainable and quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 180 of this Draft Red Herring Prospectus.

## RISK FACTORS

Please see “Risk Factors” beginning on page 24 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY

There is no such Contingent Liabilities of the Company for the six months period ended September 30, 2022 and financial years ended on March 31, 2022, 2021 and 2020.

## SUMMARY OF RELATED PARTY TRANSACTIONS

### Related Party Disclosure:

#### a) List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Atul Dumbre	Chairman & Managing Director
2	Binod Prasad	CFO & Whole Time Director
3	Nileshkumar Chavhan	Whole Time Director
4	Jayesh Jain	Director (ceased w.e.f. 03rd December, 2022)
5	Sakshi Jain	Wife of Mr Jayesh Jain
6	Anil Jain	Father of Mr Jayesh Jain
7	Suvidha Waykar	Wife of Mr Atul Dumbre

(b)	Transaction with related Parties :- Particulars	As at Sept.30	As at March 31,		
		2022	2022	2021	2020
	<b>Remuneration Paid to Directors</b>				
	Atul Dumbre	12.00	18.00	12.00	11.29
	Binod Prasad	12.00	18.00	12.00	11.29
	Nileshkumar Chavhan	12.00	18.00	12.00	11.29
	Jayesh Jain	12.00	18.00	12.00	11.29
	<b>Interest on Loan</b>				
	Sakshi Jain	0.83	1.10	-	-
	Anil Jain	-	-	0.34	0.42
	Atul Dumbre	-	-	-	0.83
	<b>Renting Charges</b>				
	Anil Jain	-	-	0.69	-
	Suvidha Waykar	-	-	0.59	-
	<b>Transfer of Assets/Liabilities</b>				
	Macfos -firm	-	-	0.10	12.86
	<b>Increase In Share Capital</b>				
	Atul Dumbre	-	-	24.95	-
	Binod Prasad	-	-	24.95	-
	Nileshkumar Chavhan	-	-	24.95	-
	Jayesh Jain	-	-	24.95	-
	<b>Loans Received</b>				
	Atul Dumbre	-	-	15.15	8.89
	Binod Prasad	-	-	0.15	3.71
	Nileshkumar Chavhan	-	2.14	2.51	3.53
	Jayesh Jain	-	-	7.15	5.38
	Sakshi Jain	-	15.00	-	-
	Anil Jain	-	-	-	-
	<b>Loans Repaid/ Given</b>				
	Atul Dumbre	-	0.71	40.93	13.19



	Binod Prasad	-	0.71	25.94	-
	Nileshkumar Chavhan	-	2.85	28.34	-
	Jayesh Jain	-	0.71	32.92	-
	Sakshi Jain	-	-	-	-
	Anil Jain	-	-	2.75	-
	<b>Balances at the end of year (LOAN)</b>				
	<b>Payables/ (Receivables)</b>				
	Atul Dumbre	0.32	0.32	1.03	26.81
	Binod Prasad	0.60	0.60	1.32	27.11
	Jayesh Jain	1.74	1.74	2.45	28.22
	Nilesh Chavan	0.59	0.59	1.30	27.13
	Sakshi Jain	15.00	15.00	-	-
	Anil Jain	-	-	-	2.77

For detailed information on the related party transactions executed by our Company, please refer “Note – Y” appearing on page no. 152 of this Draft Red Herring Prospectus under Chapter titled “Restated Financial Information” beginning on page no 119 of this Draft Red Herring Prospectus.

## FINANCING ARRANGEMENTS

The promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the Directors of the issuer and their relatives have not financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

### Weighted average price at which the equity shares were acquired by each of our promoters/selling shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Weighted average price at which the Equity Shares were acquired by our Promoters in Last one year:

Sr. No.	Name of Promoters	Total No. of Equity Shares	Weighted Average Price* (in ₹ per equity share)
1.	Mr. Atul Maruti Dumbre	22,06,320	Nil
2.	Mr. Binod Prasad	22,06,320	Nil
3.	Mr. Nileshkumar Purshottam Chavhan	22,06,320	Nil
Sr. No.	Name of Selling Shareholders	Total No. of Equity Shares	Weighted Average Price* (in ₹ per equity share)
1.	Mr. Atul Maruti Dumbre	22,06,320	Nil
2.	Mr. Binod Prasad	22,06,320	Nil
3.	Mr. Nileshkumar Purshottam Chavhan	22,06,320	Nil
4.	Mr. Jayesh Jain	22,06,320	Nil

\*Except for the bonus issue of shares, which has been made by our Company on November 25, 2022, neither our Promoters nor any of the Selling Shareholders, have acquired/been allotted any Equity Shares in the one year immediately preceding the date of this DRHP and accordingly due to bonus issue of shares, the weighted average price is Nil.

### Weighted Average cost of acquisition of shares for promoters/selling shareholders

Sr. No.	Name of the Promoter	No. of Shares held	Weighted Average cost of Acquisition (in ₹)*
1	Mr. Atul Maruti Dumbre	22,08,850	1.14
2	Mr. Binod Prasad	22,08,850	1.14
3	Mr. Nileshkumar Purshottam Chavhan	22,08,850	1.14
Sr. No.	Name of the Selling Shareholder	No. of Shares held	Weighted Average cost of Acquisition (in ₹)*
1	Mr. Jayesh Jain	22,08,850	1.14
2	Mr. Binod Prasad	22,08,850	1.14
3	Mr. Nileshkumar Purshottam Chavhan	22,08,850	1.14
4	Mr. Atul Maruti Dumbre	22,08,850	1.14

\* The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.

#### **DETAILS OF PRE-ISSUE PLACEMENT**

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

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

Except for the details mentioned below, we have not issued Equity Shares for consideration other than cash in the preceding one year.

*Bonus Issue of 88,25,280 Equity Shares of Face Value of ₹10/- each in the ratio of 870:1 i.e. Eight Hundred Seventy Equity shares for every One equity shares held by shareholders as per details given below:*

<b>S. No.</b>	<b>Name of Subscribers</b>	<b>Number of Shares Subscribed</b>
1.	Mr. Atul Maruti Dumbre	22,06,320
2.	Mr. Binod Prasad	22,06,320
3.	Mr. Nileshkumar Purshottam Chavhan	22,06,320
4.	Mr. Atul Maruti Dumbre	22,06,320
	<b>Total</b>	<b>88,25,280</b>

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

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of this Draft Red Herring Prospectus.

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

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

### **SECTION III: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 119, 84 and 171 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and 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. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and the risks involved. You should not invest in this Offer unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

#### **Materiality**

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

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

#### **Note:**

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 24 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 171 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.*

#### **INTERNAL RISK FACTORS**

- 1. Our Company is dependent on external vendors for sourcing the product requirements. Any delay or failure on the part of such vendors to deliver products at acceptable prices, may adversely affect our business, profitability and reputation.***

We sell a broad range of electronic components which finds application in basic and advanced engineering products & projects, including emerging technologies such as IoT, Robotics, Automations, Drone, Electric Vehicles, 3D Printing and Auto Guided Vehicles. We do not manufacture any of the electronic items and parts that we sell. As on September 30, 2022, we are connected with over +140 overseas and domestic vendors for sourcing these electronic components. We rely on the various vendors for purchasing the products, which in turn, may rely on third-parties for sourcing of products. The contribution of our top five vendors

in our purchase of electronic components as a percentage of the total purchase during Fiscal 2022 and six months ended September 30, 2022 are disclosed hereunder:-

S. No.	Supplier	% contribution in the total purchase for Fiscal 2022	% contribution in the total purchase for six months ended September'22
1	Supplier 1	29.36%	23.57%
2	Supplier 2	11.48%	9.61%
3	Supplier 3	5.39%	8.17%
4	Supplier 4	4.46%	6.18%
5	Supplier 5	3.07%	4.66%
<b>Total</b>		<b>53.77%</b>	<b>52.19%</b>

Our reliance on a limited number of vendors for our business exposes us to risks, that may include, but are not limited to, reductions, delay or failure on the part of our vendors to deliver products in a timely manner, product quality issues, failure to negotiate favourable terms with our key vendors, vendors changing their sales strategy or shifting focus to some other channel which could have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company. In addition, we do not have control over the quality of products which are sold by us. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of quality products at acceptable prices. In addition, a large part of our success is dependent on our ability to offer certain key products within certain categories to our consumers. If we experience significant relationship attrition with key vendors and fail to attract new relationships, the quantity and variety of products that are offered through our platform may decline, consumers may use our platform less frequently or not at all, and our revenue and results of operations may be adversely affected.

We do not have long term agreements with our vendors and we acquire such products pursuant to our purchase orders from vendors across many countries. Product supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, the outbreak of infectious diseases such as COVID-19, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these vendors to adhere to the delivery schedule or the required quality could hamper our sales and therefore affect our business and results of operations. In case we are not able to pass on any increase in cost to the consumers because of competition or otherwise, it may affect the profitability of the Company.

We may not be able to renegotiate our pricing or delivery terms on a reasonable basis or find suitable alternative vendors in the future, which may affect our business, financial condition, cash flows and results of operations. If we are required to identify alternative third parties for any of our required products, the process of qualification and approval could cause delays in providing services to clients. Any extended interruption in the supply of electronic components could disrupt our operations and can have a material adverse effect on our business, results of operations or financial condition. Although we believe we have maintained stable relationships with these vendors in the past, we cannot assure you that, we will be able to source adequate quantities of products in a timely manner from our existing vendors in the future or we will be able to find alternative vendors at acceptable prices and quality levels or at all. Our inability to do so may adversely affect our reputation, business, results of operations and cash flows.

In addition, any restrictions, either from the Central or state governments of India, or from countries which we import from, on the import of products or any adverse change in policies by India or other countries, in terms of tariff and non-tariff barriers, may adversely affect our business, prospects, financial condition and results of operations. There can be no assurance that such restrictions/ regulations would not be made more stringent which would consequently restrict our ability to import products from other jurisdictions. Further, there can be no assurance that, under these circumstances, we will be successful in identifying alternate vendors for products or we will be able to source the products at favourable terms in a timely manner. Any restriction on import of products could have an adverse effect on our ability to deliver products to our customers, business and results of operations.

**2. *Our inability to promptly identify and respond to changing consumer preferences or evolving trends may decrease the demand for our products among our customers, which may adversely affect our business.***

The markets for the electronic components such as Robotics, Drone, Electric Vehicles are dynamic and are characterised by frequent changes, particularly customer preferences, new parts and parts variant introductions. We plan our inventory based on the forecast of customer buying patterns as well as on forecasted trends and customer preferences. Any mismatch between our forecasts, our planning and the actual purchase by customers can impact us adversely, leading to excess inventory or under stocking. For

further details, please refer to “Our Business – Business Process” on page 91 of this DRHP. In such circumstances, we may lose consumers and be required to discount certain products, all of which could have an adverse effect on our business, results of operations, financial condition, cash flows and prospects. Decline in the demand for some of the products without a corresponding increase in demand for alternative products sold through our platforms could negatively impact our revenue temporarily or permanently. These trends may also cause fluctuations in our results of operations between different periods.

Our success is also dependent on the ability of our vendor brands to anticipate, identify and respond to the latest technological trends and consumer demands and to translate such trends and demands into product offerings in a timely manner, adapt to customer preferences, and our ability to continue upgrading our platforms in a manner so as to cater to evolving consumer preferences. Further, we offer our consumers our owned brand products. The success of our owned brand products depends on consumer acceptance and our ability to recognise and adapt to consumer preferences. If we fail to recognise and adapt to such acceptance and preference, our revenue will be reduced, which could negatively affect our business, financial condition, cash flows and results of operations.

**3. *Our business depends on the growth of the online commerce industry in India and our ability to effectively respond to changing user behaviour on digital platforms.***

In recent years India has experienced a boom in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the ‘Digital India’ programme. (Source: IBEF) The smartphone base has also increased significantly and is expected to reach 1 billion by 2026. This has helped India’s digital sector and it is expected to reach US\$ 1 trillion by 2030. This rapid rise in internet users and smartphone penetration coupled with rising incomes has assisted the growth of India’s e-commerce sector. (Source: IBEF). For further details, please refer to Chapter titled “Industry Overview” on page 75 of this DRHP.

A large portion of our revenues depend substantially on the receptiveness of the value-seeking users to the internet as a way to purchase goods and to carry out financial transactions and we must hence effectively respond to changing user behaviour on such digital platforms. As the nature of e-commerce is dynamic and subject to risk of rapid disruption driven by technology innovations, we must continuously innovate to overcome the fact that potential users are presented with an increasingly large number of options to choose from. Such potential growth is dependent on the overall internet penetration in India. We cannot assure you that a more technologically sophisticated and reliable fixed telecommunications network or internet infrastructure will develop that would further facilitate the growth of online e-commerce in India. Should the telecommunications operators not sustain or invest in expanding and upgrading the telecommunications infrastructure in India, it may impact the growth of the e-commerce sector adversely.

Other factors applicable to the industry that might prevent potential users from purchasing products from e-commerce platforms, including our platform, include:

- concerns about buying products online without a physical storefront, face-to-face interaction with sales personnel and the ability to physically handle and examine products;
- concerns about delayed shipments or the inconvenience/cost of returning or exchanging items purchased online;
- concerns about the security of online transactions and the privacy of personal information; and
- usability, functionality and features of online platforms.

If the online commerce industry in India and in particular the online market for the electronic items listed on our platform does not develop and grow, our business will not grow and our results of operations, financial condition, cash flows and prospects could be adversely affected.

**4. *If we fail to add new consumers or fail to do so in a cost-effective manner, we may not be able to increase revenue or maintain profitability.***

Our business has grown substantially in recent years, with the addition of new consumers playing a significant role. Our number of customers for the F.Y. ended March 31, 2020, 2021, 2022 were 40,433, 59,564 and 83,752 respectively and for the six months period ended September, 2022 were 50,662. Our revenue from operations has grown from ₹1621.81 lakhs in Financial Year 2020 to

₹2711.92 lakhs and ₹5551.47 lakhs in Financial Year 2021 and Financial Year 2022, respectively. However, we cannot assure you that our historical growth rates will be sustainable or achieved at all in the future. If we fail to add new consumers, or fail to do so in a cost effective manner, we may not be able to increase our revenue or maintain profitability.

Maintaining and improving our marketing strategies involve expenditures which may be disproportionate to the revenue generated and customers acquired. There is risk of increased cost of acquiring new consumers through marketing efforts due to heightened competition for digital traffic. If consumer conversion rates are not commensurate with our expenditure, our expenditure may be disproportionate to our returns on such marketing investments. In Financial Years 2020, 2021 and 2022 and for the six months ended September 30, 2022, our advertisement expenses was ₹83.94 lakhs, ₹84.30 lakhs, ₹131.40 lakhs and ₹57.35 lakhs, respectively, aggregating to 5.18%, 3.11%, 2.37% and 1.60%, respectively, as a percentage of revenue from operations.

Our ability to provide an engaging consumer experience is dependant in part on third party websites and search engines driving online consumers to our site which is not entirely within our control. If such sites choose not to send online consumers to us or search engines change their ranking algorithms such that we appear lower down the search list or not at all, our consumer base may not grow and may reduce and as a result, our revenue may decrease, even if we seek to optimize our rankings. Furthermore, we may have to incur sustained advertising and promotional expenditures or offer more incentives than we anticipate in order to attract consumers to our platform and websites and convert them into purchasing consumers, and such advertising and promotional expenditures may increase in the future. If one or more of our marketing efforts fails to deliver the expected outcome, our business, financial position and results of operations may be adversely affected.

**5. *One of our co-founder, Mr. Jayesh Jain has recently stepped down from the directorship of our Company, and thus is no more involved in the day to day operations of our Company.***

One of our co-founder, Mr. Jayesh Jain has recently stepped down from the directorship of our Company, and thus is no more involved in the day to day operations of the Company. We may not be able to locate suitable or qualified replacement of Mr. Jayesh Jain and may have to incur additional expenses and time to recruit and train new personnel, which could temporarily affect our business operations and growth. Our success heavily depends upon the continued services of our Promoters and Key managerial personnel. Any loss of members of our senior management team or key personnel could significantly delay or prevent the achievement of our business objectives and could harm our business and consumer relationships. If any of our key managerial personnel joins a competitor or forms a competing business, we may lose customers, know-how and key professionals and staff members. Also, our Company has obtained secured loans from the banks on the security of personal properties and guarantee of the Promoters and Promoter Group (including Mr. Jayesh Jain). In case any of the Promoter or Promoter Group member demands for release of guarantee, we may not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “Statement of Financial Indebtedness” on page 164 of this Draft Red Herring Prospectus. For further details of our Directors and key managerial personnel, please refer to Section “*Our Management*” on page 107 of this Draft Red Herring Prospectus.

**6. *If we are unable to manage our growth or execute our strategies effectively, our business plan and expansion may not be successful, and our business and prospects may be adversely affected.***

In order to continue to grow our business, we will need to continuously and efficiently invest in warehousing infrastructure, managing existing and future relationship with vendors and delivery companies and other participants in our network to establish and maintain mutually beneficial relationships with them. We have recently obtained a property on lease at Chakan Industrial Area, Phase I, Mhalunge, Khed, Pune, which we plan to use it as fulfillment centre in future. We have been sanctioned a term loan of Rs. 6.50 crores from bank for procurement of land on lease and building construction. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected. Additionally, on account of such expansion, our finance cost, depreciation and other related expenses shall increase in the near future which can adversely impact our results of operations, cash flows and financial condition.

Our expansion plans remain subject to the potential problems and uncertainties that construction projects face including cost overruns or delays, labour shortages, increased costs of equipment or manpower, inadequate performance of the equipments installed at the fulfillment centre, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, incremental pre-operating expenses, environment and ecology costs and other external factors which may not be within the control of our management. 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.

In addition, to support our business growth, we may have to implement a variety of new and upgraded managerial, operating, technology, logistics, financial and human resource systems, procedures and controls, which in turn may lead to higher costs and oversight by management. It cannot be assured that we will be able to successfully implement all or some of the managerial, operating, financial and human resource systems, procedures and control. If we are unable to manage our growth through the online platform or the offline sales or if we are unable to execute any of our strategies effectively, our business and prospects may be adversely affected.

We may also experience a decline in our revenue growth rate due to factors such as insufficient growth in the number of brands and consumers on our platform, increasing competition from both online and offline companies, a decrease in the growth of our overall market, failure to capitalize on growth opportunities, a slowdown in the Indian economy, which may lead to a decrease in consumer demand of our products which would have an adverse impact on our cash flows, financial condition and results of operations.

***7. We operate in a highly competitive industry and our failure to compete effectively could have a negative impact on the success of our business and/or impact our margins***

Our industry is highly competitive and we expect that competition will continue to increase. Our competitors include a number of online marketplaces, retailers with physical stores, and brands that take a direct-to-consumer approach, effectively removing us from the distribution and sales process. The internet and mobile networks provide new, rapidly evolving and competitive channels for the sale of all types of goods and services. Consumers who purchase goods and services through us have other alternatives, and sellers have other channels to reach consumers. We expect competition to continue to intensify.

Online and offline competitors may offer goods and services that we do not offer and which may be more attractive and devote more resources to marketing and promotional campaigns. In addition, competitors may innovate faster and more efficiently, and new technologies may increase competitive pressures by enabling competitors to offer more efficient or lower-cost services or offer products direct to the consumer. If we are unable to change our offerings in ways that reflect the changing demands of offline and online sellers and marketplaces or compete effectively with and adapt to such changes, our business, financial condition, cash flows and results of operations would be adversely affected.

Some of our competitors have competitive advantages such as longer operating histories, more experience in implementing their business plan and strategy, better brand recognition, popular offline locations, greater negotiating leverage, established supply relationships and greater financial, marketing and other resources. The intense competition we face in our businesses, and general economic and business conditions may affect our ability to appropriately price our products. If our competitors offer deep discounts on certain products, we may be compelled to lower our prices or offer other favourable terms in order to compete effectively, which may adversely affect our margins and our operating results. As a result, there can be no assurance that we will not encounter increased competition in the future. Nor can there be any assurance that our Company will, in light of competitive pressures, be able to remain profitable or, if profitable, maintain its current profit margins.

***8. We are in process to renew the warehouse and inventory management agreements in respect of the fulfilment center from which we carry out our business activities. In case of non-renewal of such agreements or dispute in relation to use of the said premise or other premise, our business and results of operations can be adversely affected.***

Our registered office and fulfilment center is situated at Pune, which are being taken by us on rent from third parties. We are in process to renew the warehouse and inventory management agreements with Stark Logistics LLP, in respect of the fulfilment center, of which one of the agreement has been expired on November 30, 2022 and another on December 31, 2022. In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative warehouse. However, in order to mitigate this risk, we have recently obtained a

property on lease for 95 years (from 2008) at Chakan Industrial Area, Phase I, Mhalunge, Khed, Pune, which we plan to use in construction of fulfillment centre. For further details, please refer “Our Business – Properties” on page 93 of this DRHP.

There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

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

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

We are yet to apply for registration under the (a) Contract Labour (Regulation & Abolition) Act, 1970 and (b) Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017 for our fulfillment centre (Tung Warehouse and Purandar Warehouse). Also, we are yet to amend the existing registration certificate of the Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017 in respect of number of employees for the Registered Office. For details relating to location of our properties, please refer section “Our Business – Properties” on page 93. Further, subsequent to our conversion into limited Company on January 06, 2023, we need to apply for change in name in all our registrations and statutory approvals which are in previous name of our Company. For further details, please refer to chapter titled “Government and Other Approvals” on page 183 of this DRHP. Any delay or failure to do so could have an adverse effect on our business and results of operations.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would 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. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

**10. *We rely upon the services of third-party data center for hosting facilities and other third party providers for our business and operations.***

We rely on services from third parties, such as telecommunications services, credit card processors, payment gateways, logistics provider and SMS service providers, and those services may be subject to outages and interruptions that are not within our control. In addition, we may experience down periods when our third-party credit card or payment mobile applications processors are unable to process the online payments of our consumers, disrupting our ability to receive consumer orders.

We also rely on cloud infrastructure service providers and systems maintained by third-party service providers. Our operations depend on the virtual cloud infrastructure and its configuration, architecture and interconnection specifications, as well as the information stored in these virtual data centers. We have no physical access or control over our virtual cloud infrastructure services and we cannot quickly or easily switch our operations to another third party cloud infrastructure service provider. Any technical glitch in services of third party service providers, termination or suspension of our arrangements with our technology vendors would interrupt our business by affecting our ability to access our data and infrastructure.

With respect to our marketing channels, we rely heavily on relationships with providers of search engines, social media etc. to provide significant sources of traffic to our website. Search engine companies change their natural search engine algorithms periodically, and our ranking in natural searches may be adversely affected by those changes, as has occurred from time to time. If search engines change their algorithms, terms of service, display and featuring of search results, or if competition increases for advertisements, we may be unable to cost-effectively drive consumers to our mobile applications and websites.



In addition, our technology infrastructure and the technology infrastructure of our third-party providers are vulnerable to damage or interruption as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third-party security breaches, employee error, misuse, war, natural calamities, power loss, telecommunications failures, cyber-attacks, human error, and other similar events could lead to extended interruptions of our operations, a corresponding loss of revenue and profits, cause breaches of data security, loss of intellectual property or critical data, or the release and misappropriation of sensitive information, or otherwise impair our operations.. If any such event were to occur, our business, financial condition, cash flows and results of operations may be adversely affected.

**11. We derive a significant portion of our revenue from our top three product categories, and our business may be adversely affected if products in these categories do not perform as well as expected.**

The revenue contribution of our top three product categories i.e. (a) Sensors; (b) Raspberry Pi (Single board computer) and peripherals & Modules and (c) Batteries, Chargers and Accessories accounted for a significant portion of our total revenue in the last three Financial Years and six months ended September 30, 2022 constituting 40.14% in FY 2020, 38.14% in F.Y. 2021, 36.67% in F.Y. 2022 and 36.34% in six months ended September 30, 2022. For more details, please refer to chapter titled “Our Business” beginning on page 84 of this DRHP. In case of increased competition, pricing pressures, fluctuation in the demand or supply of products within our top three categories or other factors, our revenue from these products may decline in the future. Any adverse developments with respect to the sale of products within our top three categories could adversely affect our revenue.

**12. Our business depends on our ability to maintain and scale our technology. Any interruptions or delays in service on our mobile applications or websites or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of consumers or suppliers**

A key element of our strategy is to generate a high volume of traffic on our mobile application and website. Our reputation and ability to attract, retain and serve our consumers depend upon the reliable performance of our mobile application and website and the underlying network infrastructure. We have experienced interruptions in these systems in the past, including server failures that temporarily slowed down or interfered with the performance of our mobile applications and websites, and we may experience interruptions in the future. As our consumer base and the amount of information shared on our mobile applications and websites continue to grow, we will need an increasing amount of network capacity and computing power. Any interruption or inadequacy that causes performance issues or interruptions in the availability of our mobile applications or websites could reduce consumer satisfaction and result in a reduction in the number of consumers purchasing our products and services, adversely affecting our business and financial position.

**13. Our Company had negative operating cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations**

The detailed break up of operating cash flows is summarized in below mentioned table and our Company has reported negative operating cash flow in F.Y. 2021-22. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

Particulars	Six months period ended September 30, 2022	F.Y. 2021-22	F.Y. 2020-21	F.Y. 2019-20
Net Cash flow from Operating Activities	75.72	(45.63)	30.08	47.84

**14. Security breaches and any disruption to our information technology could adversely impact our business.**

Our business generates, stores and processes a large quantity of personal, transaction, demographic and behavioral information and data and as such we may experience disruptions, failures or breaches of our technology platforms. We also face risks inherent in handling large volumes of data and in protecting the security of such data, such as protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees; addressing concerns related to privacy and sharing, safety, security and other factors. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any regulatory requirements or privacy and data protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others, which could have an adverse effect on our results of operations, cash flows and business.

We seek to protect our IT systems and network infrastructure from security breaches and other disruptive problems caused by our increased internet connectivity. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches but there can be no assurance that these security measures will be successful. Breaches of our security measures could affect the security of information stored in and transmitted through these computer systems and network infrastructure. A failure in security measures could have a material adverse effect on our business and our future financial performance. Our business relies on information technology to operate on a daily basis. The success of our businesses depends in part upon the ability to store, retrieve, process and manage substantial amounts of information. Any disruption in our information technology systems could render us unable to operate our business. This could adversely affect our business, reputation and revenues.

**15. We purchase inventory in anticipation of sales, and if we fail to manage our inventory effectively, our business and results of operations could be adversely affected.**

We purchase inventory from multiple vendors, distributors and manufacturers based on our projected sales and as such, if we fail to manage our inventory effectively, our business and results of operations may be adversely affected. For example, excess inventory procurement may lead to interest costs and also liquidation cost or loss of sales, markdowns or write-offs, where products sold under the key business verticals are subject to expiry. Further, any damage or destruction to our inventory at our fulfilment center may impact our operating results.

**16. Our Company is a party to certain tax proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

Our Company is a party to certain tax proceedings. Mentioned below are the details of the proceedings involving our Company, as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable.

**Tax Proceedings/Matters involving our Company:-**

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)
<b>Company</b>		
Direct Tax (Income Tax)	3	0.43
Indirect Tax	-	-
<b>Total</b>	<b>3</b>	<b>0.43</b>

*\*To the extent ascertainable*

*The amount has been mentioned to the extent ascertainable and quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 180 of this Draft Red Herring Prospectus.*

There can be no assurance that these tax matters/proceedings will be decided in favour of our Company and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases please refer the chapter titled “Outstanding Litigations and Material Developments” on page 180 of this Draft Red Herring Prospectus.

**17. We have made certain non-compliances of provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company to that extent.**

Our company has not complied with certain Accounting Standards in the past such as AS -15 (Accounting for Employee Benefits) in respect of actuarial valuation of gratuity and leave encashment, however the same have been duly complied by us in the restated financial statements. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

Further, due to inaccessibility of various ROC forms on MCA portal from January 07, 2023 to January 22, 2023, our Company is unable to file various forms with Registrar of Companies for appointment of Company Secretary, change in designation of Directors

and appointment of Independent Director. In case the forms are not filed within the prescribed time limit, we could be charged with the penalty from ROC, which may affect our financial conditions to that extent.

***18. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.***

As on date of this Draft Red Herring Prospectus, we have obtained various insurance policies such as insurance coverage in respect of certain risks related to stock at warehouse, furniture & fixtures, fittings, other equipments and marine cargo insurance policy. Also we have obtained insurance policies in respect of Group mediclaim policy for employees. We face the risk of loss resulting from product liability, intellectual property, contractual, warranty, and other lawsuits, whether or not such claims are valid. Moreover, our insurance coverage may not be adequate to cover such claims or may not be available to the extent we expect. Although, we attempt to obtain coverage for and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, our liability may sometimes not be covered as a result of the limitations of liability set forth in our insurance policies. For details of insurance policies we maintain, see “Business – Insurance” on page 92 of DRHP.

Our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows. While we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. If we suffer a significant uninsured loss or if an insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Further, in the future, we may experience difficulty in obtaining insurance coverage for new and evolving product offerings at favorable prices, which could require us to incur greater costs. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.

***19. We have incurred significant indebtedness towards working capital and capital expenditure, which exposes us to various risks which may have an adverse effect on our business and results of operations***

Our business requires working capital expenditures to meet our day to day business requirements. As on September 30, 2022, our total outstanding indebtedness was ₹ 938.00 lakhs. Out of the said indebtedness of Rs. 938 lakhs, we have obtained unsecured loan from bank and financial institutions of Rs. 362.79 lakhs, which are taken on high rate of interest ranging from 14% to 21%. Our finance cost for F.Y. 2019-20, 2020-21, 2021-22 and six months ended September 30, 2022 were Rs. 49.62 lakhs, 52.33 lakhs, 80.05 lakhs and 50.08 lakhs which comprised of 3.06%, 1.91%, 1.43% and 1.39% respectively. We cannot be certain that our operations will be able to generate sufficient cash to fully meet the debt obligations and to fund our ongoing operations along with the growth of our business.

We may need additional funding for working capital or capital expenditure for which we might need or may want to engage in future equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to support our business growth and respond to business challenges could be significantly impaired, and our business, financial condition, cash flows and results of operations may be adversely affected.

In addition, management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. The terms of any additional debt we may incur in the future could restrict our ability to effectively conduct our operations. As our decisions to raise additional capital will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future debt or equity financings, or terms on which any such financings may be completed. Our ability to make repayments and refinance our indebtedness will depend on our continued ability to generate cash from our future operations.

Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;

4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “Statement of Financial Indebtedness” on page 164 of this Draft Red Herring Prospectus.

**20. We rely exclusively on third-party logistics service provider mainly Blue Dart for the deliveries of products to our buyers, and any disruption of or interference with their services could adversely affect our business, financial condition, cash flows and results of operations.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of products to our consumers. We mainly engage Blue Dart to deliver orders from our fulfilment center to consumers. To the extent they are unable to provide satisfactory services to consumers, which may be due to events that are beyond our or their control, such as inclement weather or transportation disruptions, we may suffer reputational damage, and our business, financial condition, cash flows and results of operations may be adversely affected.

The third-party logistics service provider that we rely on may also subject us to additional risks. For example, traffic accidents caused by such couriers in performing their services on our behalf may cause negative publicity in the local community and may negatively affect our brand image and reputation. In addition, as our third-party couriers interact directly with our consumers, we may suffer harm, including substantial reputational harm from any misconduct or illegal actions committed by them. If we are unable to effectively address these risks, our image, reputation, cash flows and financial performance may be adversely affected.

**21. The geographical concentration of our warehousing facility and registered office in Pune, Maharashtra may restrict our operations and adversely affect our business, results of operations and financial conditions.**

We presently operate our entire business through our fulfillment centre (warehouse) and registered office located at Pune, Maharashtra. Due to the geographical concentration of our warehouse and registered office in Pune, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our warehousing abilities, significant delays in the transport of our products, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

Further, we generate major domestic sales through our customers situated in Maharashtra, Karnataka and Tamil Nadu. For Fiscal 2022, our revenue from these states represented 52.40% of the total revenue for such fiscal year. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

Below are the details of the state/Union territory wise revenue breakup for the fiscal year ending March 2022 (having more than 5% of total revenue):-

<b>State Name</b>	<b>Revenue %</b>
Maharashtra	22.78%
Karnataka	17.66%
Tamil Nadu	11.96%
Gujarat	7.99%
Uttar Pradesh	5.97%
Delhi	5.28%
Telangana	5.26%
<b>TOTAL</b>	<b>76.90%</b>

Further, as we expand/enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local customers, 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 other areas 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 face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**22. *Loans availed by Our Company has been secured on personal properties and guarantees of our Directors/Promoters. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors/Promoters.***

Loans availed by our Company has been secured on personal properties and guarantees of our Promoters, Directors and relatives of Directors. In the event of default on such borrowings, these personal guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these personal guarantees are revoked by our Promoters, we may also not be successful in procuring alternate securities or guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "Statement of Financial Indebtedness" on page 164 of this Draft Red Herring Prospectus.

**23. *Our Company is in use of certain trademarks, which are applied for registration under the Trademarks Act, 1999, but is not registered as on date of Draft Red Herring Prospectus. Thus, we may be subject to claims alleging breach of third party intellectual property rights.***



The trademark  , along with our other trademarks related to brands, which we are using for our business, has been applied by us for registration under the Trademarks Act, 1999, but is currently open for objection/opposed. For further information, see "Our Business – Intellectual Properties" on page 92. As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register the said trademarks and the logo in future or that, third parties who have filed objection will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

Further, despite our efforts to protect and enforce our proprietary rights, unauthorized parties may in the future use, our trademarks or similar trademarks, copy aspects of our website images, features, compilation and functionality or obtain and use information that we consider as proprietary, such as the technology used to operate our website or our content, thereby undermining our position within the e-commerce electronics market. . Our competitors may adopt, service/website names similar to ours, thereby impeding our ability to build brand identity and possibly diluting our brand and leading to brand dilution or consumer confusion. In addition, there could be potential trade name or trademark ownership or infringement claims brought by owners of other rights, including registered trademarks, in our marks or marks similar to ours. Any such claims, brand dilution or consumer confusion related to our brands (including our trademarks) could damage our reputation and brand identity and substantially harm our business and results of operations.

Domain names generally are regulated by internet regulatory bodies, and the regulation of domain names is subject to change. Regulatory bodies have and may continue to establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As of the date of this Draft Red Herring Prospectus, we have two domain name registered under our name i.e. "ROBU.IN" and "MACFOS.COM". We may not be able to, or it may not be cost effective to, acquire or maintain all domain names that utilize the name "Robu" or our other business brands in all of the jurisdictions in which we currently conduct or intend to conduct business. If we lose the ability to use a domain name, or similar domain names are set up for fraudulent purposes, or fail to renew the domains registered on a timely basis, we could incur additional expenses and hardship to market our products, including the development of new branding or poor customer experience. This could substantially harm our business, results of operations, financial condition, cash flows and prospects.

**24. *Our Company will not receive any proceeds from the Offer for Sale***

The Offer comprises an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds of the Offer. For further information, see “The Offer” and “Objects of the Offer” on pages 40 and 66, respectively.

**25. *Our Company has taken unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate working capital to make timely payments or at all.***

Our Company has availed unsecured loans which may be recalled by its lenders at any time. As on September 30, 2022, the unsecured loans amounted to Rs. 381.05 lacs, out of which loan of Rs. 18.26 lakhs can be recalled at any time. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the section entitled “Statement of Financial Indebtedness” on page 164 of this DRHP.

**26. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. This may limit our ability to pursue our business and limit our flexibility in planning for, or reacting to, changes in our business or industry.***

Certain of our financing agreements include conditions and restrictive covenants, including the requirement that we obtain consent from or intimate our respective lenders prior to carrying out certain activities and entering into certain transactions including, among others, declaring or paying dividends, effecting any change in our Company’s capital structure, carrying out or entering into any amalgamation, consolidation, demerger, merger, restructuring and investing by way of share capital or lending or advancing funds to or placing deposits with any other concerns except in normal course of our business. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios, total outside liabilities to tangible net worth and minimum net worth. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We cannot assure you that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any non-compliance in a timely manner or at all. If the obligations under any of our financing agreements are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. For further information on the working capital facilities currently availed of by us, see “Financial Indebtedness” beginning on page 164 of this DRHP. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “Statement of Financial Indebtedness” on page 164 of this Draft Red Herring Prospectus.

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

Our Company has entered into various transactions with our Directors, Promoter and Promoter Group members/entities. These transactions, inter-alia includes, issue of shares, purchase, interest payments, remuneration, loans and advances, reimbursements etc. For details, please refer to *Note Y - Related Party Transactions*” under Section titled “*Financial Information of the Company*” and Chapter titled “*Capital Structure*” beginning on page 152 and 56 respectively of this Draft Red Herring Prospectus. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

**28. *The average cost of acquisition of Equity Shares by our Promoters, are lower than the face value of Equity Share.***

The average cost of acquisition of Equity Shares of our Promoters are lower than the face value of Equity Shares i.e. ₹ 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares of our Promoter in our Company, please see Chapter titled “Capital Structure” beginning on page 56 of this Draft Red

Herring Prospectus.

**29. *Failure to effectively manage employees or failure to ensure availability of sufficient employees could affect the business operations of the Company.***

Our business activities are dependent on availability of skilled manpower including IT technicians. Non-availability of such employees at any time or any disputes with them may affect our services and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any employees shortage in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes or increased salary demands, which could have adverse effect on our business, and results of operations.

**30. *The Promoters (including Promoter Group) and Directors hold almost 100% of the Equity Shares of our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Our Promoter and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company or their relatives, dividend entitlement, or loans advanced by them to the Company, and benefits deriving from the directorship in our Company. There can be no assurance that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. For further information, please refer to the chapters/section titled “*Our Business*”, “*Our Promoters and Promoter Group*” and “*Note Y - Related Party Transactions*”, beginning on pages 84, 114 and 152 respectively of this Draft Red Herring Prospectus.

**31. *Our Company has not appointed Independent Directors and has not constituted various committees as stated by the Companies Act, 2013 for listed Companies, which may cause delay in listing of our Company.***

As per the applicable provisions of the Companies Act, 2013, upon listing, we are required to follow the corporate governance norms such as appointment of one third of the Board as Independent Directors and constitution of certain committees. Although our Company intends to appoint one-third of the Board as Independent Directors and constitute requisite committees such as the Audit Committee, Nomination and Remuneration Committees and Stakeholders Relationship Committee, prior to filing of Red Herring Prospectus with ROC and BSE Limited, there could be a failure or delay to identify, select and appoint the Independent Director(s) and to form the requisite committees, which could ultimately result in delay of this offer and listing.

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

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

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

We sell a broad range of electronic components which finds application in basic and advanced engineering products & projects, including emerging technologies such as IoT, Robotics, Automations, Drone, Electric Vehicles, 3D Printing and Auto Guided Vehicles, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund & ESI. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity

Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 118 of the Draft Red Herring Prospectus.

***35. This Draft Red Herring Prospectus contains information in respect of industry from various publicly available sources. Investors are advised not to place undue reliance on such information.***

This Draft Red Herring Prospectus includes information derived in respect of industry from various third party sources. Our Company, our Promoters, our Directors and the BRLM have not independently verified the information in the report and other information under “Industry Overview” on page 75. There are no standard data gathering methodologies in the markets in which we operate, and methodologies and assumptions vary widely among different industry sources. Such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the report or any other industry data or sources are not recommendations to invest in our Company. You are advised not to place undue reliance on the industry information as included in this Draft Red Herring Prospectus, when making your investment decision. Also, see “Certain Conventions, Use of Financial Information and Market Data and Currency of Financial Presentation” and “Industry Overview” on pages 16 and 75 respectively.

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

Our promoter along with the promoter group will continue to hold collectively upto 73.65% of the Equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***37. We may require equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company’s Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company’s Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company’s major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The offer price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Offer. For further information please refer the section titled “*Basis for Offer Price*” beginning on page 68 of the



Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

***39. Investors other than retail (including non-institutional investors, QIBs and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Bidders decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidder's ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**EXTERNAL RISK FACTORS**

***40. The continuing effect of the COVID-19 pandemic on our business, results of operations and financial condition is highly uncertain and cannot be predicted.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession.

***41. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the 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. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

***42. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the

chapter “*Government and Other Approvals*” on page 183 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

***43. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion affect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***44. Natural calamities could have a negative impact on the Indian economy and cause Our Company’s business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, 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.

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

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

***46. Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India’s economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

## SECTION IV - INTRODUCTION

### THE OFFER

<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered by way of Offer for Sale by the Selling Shareholders</b>	Offer of upto 23,28,000 Equity Shares aggregating up to Rs. [●] lakhs
<b>Out of which:</b>	
<b>Offer Reserved for the Market Makers</b>	Upto [●] Equity Shares aggregating up to Rs. [●] lakhs.
<b>Net Offer to the Public</b>	Upto [●] Equity Shares aggregating up to Rs. [●] lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	88,35,424 Equity Shares of face value of Rs.10 each
<b>Equity Shares outstanding after the Offer</b>	88,35,424 Equity Shares of face value of Rs.10 each
<b>Use of Proceeds of the Offer</b>	Our Company will not receive any portion of the proceeds from the Offer. Please see the chapter titled <i>“Objects of the Offer”</i> on page 66 of this Draft Red Herring Prospectus.

<sup>(1)</sup> Offer of upto 23,28,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. [●] per Equity Share of our Company aggregating to Rs. [●] Lakhs. This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section *“Offer Structure”* beginning on page 205 of this Draft Red Herring Prospectus.

The present Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on January 07, 2023 and by our Shareholders pursuant to a special resolution passed at the Extra Ordinary General meeting held on January 11, 2023.

The Selling Shareholders have consented to participate in the Offer for Sale in the following manner:

<b>Selling Shareholders</b>	<b>Authorization Letter dated</b>	<b>No of equity shares held</b>	<b>No of equity shares offered</b>
Jayesh Jain	12-Jan-2023	22,08,850	22,08,850
Atul Maruti Dumbre	12-Jan-2023	22,08,850	39,700
Binod Prasad	12-Jan-2023	22,08,850	39,700
Nileshkumar Purshottam Chavhan	12-Jan-2023	22,08,850	39,750
<b>Total</b>		<b>88,35,400</b>	<b>23,28,000</b>

The Selling Shareholders has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

- 1) The SEBI ICDR Regulations permit the Offer of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Offer Price. Accordingly, we have allocated the Net Offer i.e. not more than 50% of the Net Offer to QIB and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders and not less than 15% of the Net Offer shall be available for allocation to Non-institutional bidders.
- 2) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer 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 "***Offer Procedure***" beginning on page 209 of this Draft Red Herring Prospectus.

**SUMMARY OF OUR FINANCIALS**  
**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

PARTICULARS	NOTES	As at the Year/Period ended			
		30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>A) EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	<b>A</b>	1.01	1.01	1.01	1.00
(b) Reserves & Surplus	<b>A</b>	1,206.76	910.91	309.64	51.55
(c) Share Application Money		-	-	-	-
<b>Total</b>		<b>1,207.78</b>	<b>911.93</b>	<b>310.66</b>	<b>52.55</b>
<b>2. Non-Current Liabilities</b>					
(a) Long Term Borrowings	<b>B</b>	433.71	297.08	33.87	96.75
(b) Deferred Tax Liabilities (Net)	<b>C</b>	-	-	-	-
(c) Other Long Term Liabilities		-	-	-	-
(d) Long Term Provisions	<b>G</b>	21.11	15.08	10.96	2.73
<b>Total</b>		<b>454.82</b>	<b>312.16</b>	<b>44.83</b>	<b>99.48</b>
<b>3. Current Liabilities</b>					
(a) Short Term Borrowings	<b>D</b>	504.29	306.19	316.27	336.37
(b) Trade Payables	<b>E</b>				
Due to Micro and small enterprises		29.73	100.52	29.80	-
Due to Others		101.93	146.81	143.63	100.67
(c) Other Current Liabilities	<b>F</b>	69.64	43.80	13.43	10.40
(d) Short Term Provisions	<b>G G</b>	230.55	225.79	83.15	25.14
<b>Total</b>		<b>936.15</b>	<b>823.11</b>	<b>586.27</b>	<b>472.59</b>
<b>Total Equity and Liabilities</b>		<b>2,598.74</b>	<b>2,047.20</b>	<b>941.75</b>	<b>624.62</b>
<b>B) ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets	<b>H</b>				
i. Property, Plant and Equipment		495.91	77.48	69.16	98.63
ii Intangible Assets		5.18	7.07	4.24	7.75
iii Capital Work in progress					
iv.Intangible Assets under development		-	-	-	-
(b) Non-Current Investment		-	-	-	-
(c) Deferred Tax Assets (Net)	<b>C</b>	20.54	19.44	14.86	6.55
(d) Long Term Loans and Advances		-	-	-	-
(e) Other Non-Current Assets	<b>I</b>	34.89	34.67	21.48	19.58
<b>Total</b>		<b>556.51</b>	<b>138.67</b>	<b>109.75</b>	<b>132.51</b>
<b>2. Current Assets</b>					
(a) Current Investment			-	-	-
(b) Trade Receivables	<b>J</b>	161.55	173.23	86.98	6.79
(c) Cash and Cash equivalents	<b>K</b>	71.31	145.64	63.92	78.91
(d) Inventories	<b>L</b>	1,585.11	1,184.88	529.40	310.39
(e) Short-Term Loans and Advances	<b>M</b>	202.79	385.81	147.63	93.56
(f) Other Current Assets	<b>N</b>	21.47	18.98	4.08	2.46
<b>Total</b>		<b>2,042.23</b>	<b>1,908.53</b>	<b>832.00</b>	<b>492.11</b>
<b>Total</b>		<b>2,598.74</b>	<b>2,047.20</b>	<b>941.75</b>	<b>624.62</b>

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

(Rs. in Lakhs)

PARTICULARS		Note	For the year/period ended on			
			30-09-2022	31-03-2022	31-03-2021	31-03-2020
1	<b>Revenue From Operations</b>	<b>O</b>	3,578.12	5,551.47	2,711.92	1,621.81
2	<b>Other Income</b>	<b>P</b>	27.28	35.60	21.84	0.35
3	<b>Total Revenue (1+2)</b>		3,605.40	5,587.07	2,733.76	1,622.16
4	<b>Expenses</b>					
(a)	Cost of Material Consumed	<b>Q</b>	11.42	26.06	21.11	19.22
(b)	Purchase of Stock in trade	<b>R</b>	2,935.28	4,327.44	2,037.32	1,124.36
(c)	Change of Inventories of Work in progress and finished goods	<b>S</b>	(400.23)	(655.48)	(219.01)	(98.56)
(d)	Employee Benefit Expenses	<b>T</b>	208.66	292.89	187.73	127.04
(e)	Finance Costs	<b>U</b>	50.08	80.05	52.33	49.62
(f)	Depreciation and Amortisation Expenses	<b>V</b>	20.33	38.75	43.64	43.00
(g)	Other Expenses	<b>W</b>	381.25	672.53	398.77	315.87
5	<b>Total Expenses 4(a) to 4(g)</b>		3,206.78	4,782.23	2,521.89	1,580.54
6	<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items &amp; Tax (3-5)</b>		398.63	804.84	211.87	41.62
7	Exceptional item			-	-	-
8	<b>Profit/(Loss) Before Extraordinary items &amp; Tax (6-7)</b>		398.63	804.84	211.87	41.62
9	Prior Period Expenses					
10	Extraordinary items					
11	<b>Profit/(Loss) Before Tax (8-9-10)</b>		398.63	804.84	211.87	41.62
12	<b>Tax Expense:</b>					
(a)	Current Tax		103.87	208.15	61.88	15.20
(b)	Deferred Tax		(1.09)	(4.58)	(8.31)	(6.55)
(c)	MAT Credit entitlements					
(d)	Prior period expenses					
(e)	Excess/short provision written back/off					
	<b>Total</b>		102.78	203.57	53.57	8.65
13	<b>Profit/(Loss) for the Year</b>		<b>295.85</b>	<b>601.27</b>	<b>158.31</b>	<b>32.97</b>

**ANNEXURE III**  
**RESTATED CASH FLOW STATEMENT**

(Rs. in Lakhs)

PARTICULARS		For the period/ year ended on			
		30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>A) Cash Flow From Operating Activities :</b>					
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>		398.63	804.84	211.87	41.62
Adjustment for :					
Depreciation and amortization Expenses		20.33	38.75	43.64	43.00
Finance Cost		50.08	80.05	52.33	49.62
Interest Income		(2.12)	(4.10)	(1.05)	(0.29)
Income Tax Adjustments				0.92	0.03
Prior Period adjustments					(2.18)
Opening Provision for Gratuity and Leave encashment					(1.86)
<b>Operating profit before working capital changes</b>		<b>466.91</b>	<b>919.54</b>	<b>307.71</b>	<b>129.94</b>
<b>Changes in Working Capital</b>					
(Increase)/Decrease in Trade Receivables		11.68	(86.25)	(80.19)	13.42
(Increase)/Decrease in Inventory		(400.23)	(655.48)	(219.01)	(98.56)
(Increase)/Decrease in Short Term Loans & Advances		158.21	(177.64)	(16.06)	(17.01)
(Increase)/Decrease in Other Current & Non-Current Assets		(2.74)	(28.14)	(3.58)	(3.45)
Increase/(Decrease) in Trade Payables		(115.67)	73.91	72.75	24.31
Increase/(Decrease) in Other Current Liabilities		25.84	30.37	3.02	9.18
Increase/(Decrease) in Short Term Provisions, etc		17.70	0.63	21.20	8.35
<b>Cash generated from operations</b>		<b>161.70</b>	<b>76.94</b>	<b>85.84</b>	<b>66.19</b>
Less:- Income Taxes paid		85.98	122.57	55.78	18.35
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>75.72</b>	<b>(45.63)</b>	<b>30.07</b>	<b>47.84</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets including of CWIP		(436.84)	(49.83)	(10.61)	(59.08)
Investment made/Sold during the year		-	-	-	-
Interest Income		2.12	4.10	1.05	0.29
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(434.72)</b>	<b>(45.73)</b>	<b>(9.56)</b>	<b>(58.79)</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital		-	-	99.80	-
Increase/(Decrease) in Short Term Borrowings		198.10	(10.08)	(20.10)	271.94
Increase/(Decrease) in Long Term Borrowings		136.63	263.21	(62.88)	(158.03)
Finance Cost		(50.08)	(80.05)	(52.33)	(49.62)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>284.66</b>	<b>173.08</b>	<b>(35.52)</b>	<b>64.29</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(74.34)</b>	<b>81.73</b>	<b>(15.01)</b>	<b>53.33</b>
Cash equivalents at the beginning of the year		145.64	63.92	78.91	25.58
<b>Cash equivalents at the end of the year</b>		<b>71.31</b>	<b>145.64</b>	<b>63.92</b>	<b>78.91</b>

Notes:-

		30-09-2022	31-03-2022	31-03-2021	31-03-2020
1.	<b>Component of Cash and Cash equivalents</b>				
	Cash on hand	0.08	0.45	0.04	0.09
	Balance With banks	11.23	85.18	3.88	78.82
	Fixed Deposits	60.00	60.00	60.00	-
	<b>Total</b>	<b>71.31</b>	<b>145.64</b>	<b>63.92</b>	<b>78.91</b>

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

3. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.



## GENERAL INFORMATION

Our Company was incorporated as “Macfos Private Limited” on September 26, 2017 vide certificate of incorporation bearing CIN U29309PN2017PTC172718 under the provisions of the Companies Act, 2013 issue by Central Registration Centre, Registrar of Companies. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on December 28, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Macfos Private Limited” to “Macfos Limited” vide a fresh certificate of incorporation dated January 06, 2023 issued by the Registrar of Companies, Pune bearing CIN U29309PN2017PLC172718.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 104 of this Draft Red Herring Prospectus.

Address of the Registered Office	Address of the RoC
<b>Macfos Limited</b> S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India <b>Tel. No.:</b> +91-20-68197600 <b>Email:</b> <a href="mailto:info@robu.in">info@robu.in</a> <b>Website:</b> <a href="http://www.robu.in">www.robu.in</a> <b>CIN:</b> U29309PN2017PLC172718 <b>Registration Number:</b> 172718	<b>Registrar of Companies, Pune, Maharashtra</b> PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411044, Maharashtra, India Phone: 020-27651375/1378 Fax: 020-25530042 <b>Email id:</b> <a href="mailto:roc.pune@mca.gov.in">roc.pune@mca.gov.in</a> Website: <a href="http://www.mca.gov.in">www.mca.gov.in</a>

### **Board of Directors:**

The Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus consists of:

Name of Directors*	Designation	Address	DIN
Mr. Atul Maruti Dumbre	Chairman & Managing Director	B-608, Destination Ostia, Alandi Road, Moshi, Pune, Maharashtra - 412105	07938802
Mr. Binod Prasad	Whole Time Director & CFO	B 502, Rajveer Galaxy, SR No 3, Samarth Nagar, Dighi, Dhanori Pune, Maharashtra – 411015	07938828
Mr. Nileshkumar P Chavhan	Whole Time Director	Survey No 03, B-601, Polite Panorama, Gaikwad Nagar, Alandi Road, Dighi, Pune, Maharashtra - 411015.	07936897
Ankit Rathi	Independent Director	608-Balaji Heights, Inderlok Phase II, Bhyandar East, Thane, 401105, Maharashtra, India	08456577

*\*In order to comply with the Corporate Governance, our Company will appoint one-third of the Board as Independent Directors prior to filing of RHP with ROC and BSE.*

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 107 of this Draft Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
<b>Binod Prasad</b> <b>Macfos Limited</b> <b>Address:</b> S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India <b>Tel. No.:</b> +91-20-68197600 <b>Email:</b> <a href="mailto:binod@robu.in">binod@robu.in</a> <b>Website:</b> <a href="http://www.robu.in">www.robu.in</a>	<b>Sagar Subhash Gulhane</b> <b>Macfos Limited</b> <b>Address:</b> S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India <b>Tel. No.:</b> +91-20-68197600 <b>Email:</b> <a href="mailto:cs@robu.in">cs@robu.in</a> <b>Website:</b> <a href="http://www.robu.in">www.robu.in</a>

### **Investor Grievances:**

**Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.**

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Applicant, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Bidders. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Offer related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Offer related queries and for redressal of complaints, investors may also write to the BRLM.

**Details of Key Intermediaries pertaining to this Offer and our Company:**

<b>Book Running Lead Manager to the Offer</b>	<b>Legal Advisor to the Offer</b>
<p><b>Hem Securities Limited</b>  <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India  <b>Tel No.:</b> +91-22-4906 0000  <b>Email:</b> <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a>  <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a>  <b>Contact Person:</b> Mr. Akun Goyal  <b>SEBI Reg. No.:</b> INM000010981</p>	<p><b>MINDSPRIGHT LEGAL</b>  <b>Address:</b> 712-714, C-Wing, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, Maharashtra, India.  <b>Tel No.:</b> +91-22-42197000  <b>Email:</b> <a href="mailto:richa@mindspright.co.in">richa@mindspright.co.in</a>  <b>Contact Person:</b> Ms. Richa Bhansali  <b>Website:</b> <a href="http://www.mindspright.co.in">www.mindspright.co.in</a></p>
<b>Registrar to the Offer</b>	<b>Statutory Auditors</b>
<p><b>Bigshare Services Private Limited</b>  <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India.  <b>Telephone:</b> +91 22 6263 8200  <b>Facsimile:</b> +91 22 6263 8299  <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>  <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>  <b>Contact Person:</b> Mr. Babu Raphel  <b>SEBI Registration Number:</b> MB/INR000001385  <b>CIN:</b> U99999MH1994PTC076534</p>	<p><b>M/s. Kishor Gujar &amp; Associates</b>  <b>Chartered Accountants,</b>  <b>Address:</b> Off. No. 2, 1st Floor, Mahalaxmi Heights, Near Bank Of Maharashtra (Pimpri Branch), Mumbai-Pune Road, Pimpri, Pune – 411018  <b>Telephone:</b> +91-20 – 27472930  <b>Email</b> <a href="mailto:info.kgapune@gmail.com">info.kgapune@gmail.com</a>  <b>Firm Registration No.:</b> 116747W  <b>Peer Review Certificate Number:</b> 014220  <b>MembershipNo:</b> 156238  <b>Contact Person:</b> Mrs. Sangita V Kumbhar</p>
<b>Bankers to our Company</b>	<b>Bankers to the Offer/ Refund Banker/Sponsor Bank*</b>
<p><b>ICICI Bank Limited</b>  <b>Address:</b> Shop No. 21A, Westend Riverview, Aundh – 411007, Pune, Maharashtra, India  <b>Tel No.:</b> +91-9765906666  <b>Email:</b> <a href="mailto:shubham.ladda@icicibank.com">shubham.ladda@icicibank.com</a>  <b>Contact Person:</b> Mr. Shubham Ladda</p>	[•]
<b>Syndicate Member*</b>	

[•]

*\*The Banker to the Offer (Sponsor Bank) and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the RoC.*

#### **Designated Intermediaries:**

#### **Self-Certified Syndicate Banks (SCSB's)**

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link. <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>; and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website www.sebi.gov. in at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

#### **Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

#### **Syndicate SCSB Branches**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

#### **Registrar and Share Transfer Agents**

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10> , as updated from time to time.

#### **Collecting Depository Participants (CDP's)**

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

### **Brokers to the Offer**

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

### **Expert Opinion**

Except the report of the Auditor on statement of special tax benefits and report on restated financial statements for the period ended on September 30, 2022 and financial year ended March 31, 2022, 2021 and 2022 as included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinion.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Offer, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

### **Monitoring Agency**

As the Offer is through an Offer for Sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Offer.

### **Appraising Entity**

As the Offer is through an Offer for Sale of Equity Shares, our Company is not required to appoint an appraising entity for this Offer.

### **Credit Rating**

As this is an Offer of Equity Shares, there is no credit rating for the Offer.

### **IPO Grading**

Since the Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

### **Debenture Trustees**

As this is an Offer of Equity Shares, the appointment of Debenture trustees is not required.

### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus with the SEBI/ROC**

The Draft Red Herring Prospectus is being filed with SME platform of Bombay Stock Exchange, P. J. Towers, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India.

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

A copy of the Red Herring Prospectus & Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Pune, PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune - 411044 Maharashtra

### **Book Building Process**

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

- Our Company;
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE Ltd. and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer and;
- The Designated Intermediaries and Sponsor bank

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

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Offer 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 Bidders applying in public Offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled **“Offer Procedure”** beginning on page 209 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled **“Offer Procedure”** on page 223 of this Draft Red Herring Prospectus.

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

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

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

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled **“Offer Procedure”** on page 209 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/ Offer Program:

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

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

<sup>(2)</sup> *Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Offer Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### **Withdrawal of the Offer**

Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager through, the Registrar to the Offer, shall notify the SCSBs or the Sponsor Bank 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 Exchange on which Equity Shares are proposed to be listed. If the Offer is withdrawn after the designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

## Underwriting

The Company and the Book Running Lead Manager to the Offer hereby confirm that the Offer will be 100% Underwritten by the Underwriter [•] in the capacity of Underwriter to the Offer.

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Offer Size Underwritten
[•]	[•]	[•]	[•]

*\*Includes [•] 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, 2018, 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.

### Change in Auditors during the last three (3) years

There have been no changes in our Company's auditors in the last three (3) years:

### Details of the Market Making Arrangement for this Offer

Our Company has entered into a Market Making Agreement dated [•] with the following Market Maker for fulfilling the Market Making obligations under this Offer:

<b>Name</b>	[•]
<b>Correspondence Address:</b>	[•]
<b>Tel No.:</b>	[•]
<b>E-mail:</b>	[•]
<b>Website:</b>	[•]
<b>Contact Person:</b>	[•]
<b>SEBI Registration No.:</b>	[•]
<b>Market Maker Registration No.</b>	[•]

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

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

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

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



- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the SME platform of BSE and SEBI from time to time.
- The minimum depth of the quote shall be Rs.1,00,000/- . However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (BSE SME) (in this case currently the minimum trading lot size is [•] equity shares; however the same may be changed by the BSE SME from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% of Offer Size would not be taken in to consideration of computing the threshold of 25% of Offer Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Offer Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 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 Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 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
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** Stock Exchange will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** SME platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the

Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

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

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

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Offer size up to Rs. 250 crores, the applicable price bands for the first day shall be:

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

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	Market Price Slab (in Rs.)	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

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

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

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price
A	<b>Authorized Share Capital</b> 90,00,000 Equity Shares having Face Value of ₹ 10/- each	900.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer</b> 88,35,424 Equity Shares having Face Value of ₹10/- each	883.54	-
C	<b>Present Offer in terms of this Draft Red Herring Prospectus</b> Offer for Sale of upto 23,28,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share <sup>1,2</sup>	232.80	[●]
	<i>Which comprises</i>		
	upto [●] Equity Shares of Face Value of ₹10.00 each at a premium of ₹[●] per Equity Share reserved as Market Maker portion	[●]	[●]
	Net Offer to Public of [●] Equity Shares of Face Value of ₹10.00 each at a premium of ₹[●] per Equity Share to the Public	[●]	[●]
D	<b>Issued, Subscribed and Paid up Equity Share Capital after the Offer</b>		
	88,35,424 Equity Shares of face value of ₹10/- each	883.54	
E	<b>Securities Premium Account</b>		
	Before the Offer (as on date of this Draft Red Herring Prospectus)	-	
	After the Offer		[●]

- The Present Offer of upto 23,28,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated January 07, 2023 and by special resolution passed at an Extra Ordinary General Meeting of the members held on January 11, 2023.*
- Each Selling Shareholder, severally and not jointly, has confirmed and authorized its respective participation in the Offer for Sale. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes that its portion of the Offered Shares has been held by such Selling Shareholder for a continuous period of at least one year prior to the filing of this Draft Red Herring Prospectus in terms of Regulation 8 of the SEBI ICDR Regulations. For details, see "The Offer" and "Other Regulatory and Statutory Disclosures" beginning on pages 40 and 188 respectively.*

### Classes of Shares:-

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

### NOTES TO THE CAPITAL STRUCTURE:

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

Sr. No.	Particulars of increase	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.	Increase in Authorized Share Capital from ₹5.00 Lakhs to ₹ 900.00 Lakhs	90,00,000	10/-	900.00	October 20, 2022	EGM

#### 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 of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable)(₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares
Upon Incorporation	10000	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	10,000
March 05, 2021	144	10/-	69303.35	Cash	Right Issue <sup>(ii)</sup>	10,144
November 25, 2022	88,25,280	10/-	-	Other than cash	Bonus Issue of Shares <sup>(iii)</sup>	88,35,424

All the above mentioned shares are fully paid up since the date of allotment.

(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 of Subscribers	Number of Shares Subscribed
1.	Binod Prasad	2,500
2.	Atul Maruti Dumbre	2,500
3.	Jayesh Jain	2,500
4.	Nileshkumar Purshottam Chavhan	2,500
<b>Total</b>		<b>10,000</b>

(ii) Allotment of 144 Equity Shares of Face Value of ₹ 10/- each as per details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Binod Prasad	36
2.	Atul Maruti Dumbre	36
3.	Jayesh Jain	36
4.	Nileshkumar Purshottam Chavhan	36
<b>Total</b>		<b>144</b>

(iii) Bonus issue of 88,25,280 Equity Shares of Face Value of ₹ 10/-each in the ratio of 870:1 i.e. Eight Hundred Seventy(870) Bonus Equity Shares for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list.)

b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned in point number 2(i) and 2(ii) below, the Company has not issued any Equity Shares in the last two years preceding the date of the Draft Red Herring Prospectus.

4. Issue of Equity Shares for consideration other than cash:

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
November 25, 2022	88,25,280	10/-	Nil	Bonus Issue in the Ratio of 870:1	Capitalization of Reserves & Surplus	Binod Prasad	22,06,320
						Atul Maruti Dumbre	22,06,320
						Jayesh Jain	22,06,320
						Nileshkumar Purshottam Chavhan	22,06,320
						<b>Total</b>	<b>88,25,280</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

7. Except for bonus issue made on November 25, 2022, our Company has not issued Equity shares at price below the Offer Price within last one year from the date of the Draft Red Herring Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

9. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+ VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	9	88,35,420	-	-	88,35,420	100.00	88,35,420	-	88,35,420	100.00	-	100.00	-	-	-		
(B)	Public	1	4	-	-	4	Negligible	4	-	4	Negligible	-	Negligible	-	-	-		
I	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>10</b>	<b>88,35,424</b>	<b>-</b>	<b>-</b>	<b>88,35,424</b>	<b>100.00</b>	<b>88,35,424</b>	<b>-</b>	<b>88,35,424</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>		

**Notes-**

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

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

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.

We are in process of entering into tripartite agreements with CDSL and NSDL, pursuant to which shares can be dematerialized.

10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-

a) As on the date of filing of this Draft Red Herring Prospectus:-

Sr.No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Offer paid up Share Capital (%)
1.	Binod Prasad	22,08,850	25.00
2.	Atul Maruti Dumbre	22,08,850	25.00
3.	Jayesh Jain	22,08,850	25.00
4.	Nileshkumar Purshottam Chavhan	22,08,850	25.00
	<b>Total</b>	88,35,400	100.00

b) Ten days prior to the date of filing of this Draft Red Herring Prospectus:-

Sr.No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Offer paid up Share Capital (%)
1.	Binod Prasad	22,08,850	25.00
2.	Atul Maruti Dumbre	22,08,850	25.00
3.	Jayesh Jain	22,08,850	25.00
4.	Nileshkumar Purshottam Chavhan	22,08,850	25.00
	<b>Total</b>	88,35,400	100.00

c) One Year prior to the date of filing of this Draft Red Herring Prospectus:-

Sr.No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Offer paid up Share Capital
1.	Binod Prasad	2,536	25.00
2.	Atul Maruti Dumbre	2,536	25.00
3.	Jayesh Jain	2,536	25.00
4.	Nileshkumar Purshottam Chavhan	2,536	25.00
	<b>Total</b>	10,144	100.00

\*Details of shares held on January 19, 2022 and percentage held has been calculated based on the paid up capital of our Company as on January 19, 2022.

d) Two Years prior to the date of filing of this Draft Red Herring Prospectus:-

Sr.No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Offer paid up Share Capital
1.	Binod Prasad	2,500	25.00
2.	AtulMarutiDumbre	2,500	25.00
3.	Jayesh Jain	2,500	25.00
4.	Nileshkumar Purshottam Chavhan	2,500	25.00
	<b>Total</b>	10,000	100.00

\*Details of shares held on January 19, 2021 and percentage held has been calculated based on the paid up capital of our Company as on January 19, 2021.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Offer. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may 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 of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

13. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Draft Red Herring Prospectus, Our Promoters, Binod Prasad, Atul Maruti Dumbre and Nileshkumar Purshottam Chavhan collectively hold 66,26,550 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %
<b>(A) Binod Prasad</b>						
September 26, 2017	2500	10/-	10/-	Cash	Subscription to MOA	0.03
March 05, 2021	36	10/-	69293.35	Cash	Right Issue	Negligible
November 25, 2022	22,06,320	10/-	Nil	Other than Cash	Bonus Issue	24.97
November 30, 2022	(6)	10/-	15	Cash	Transfer of Shares <sup>(i)</sup>	Negligible
<b>Total (A)</b>	<b>22,08,850</b>					<b>25.00</b>
<b>(B) Atul Maruti Dumbre</b>						
September 26, 2017	2500	10/-	10/-	Cash	Subscription to MOA	0.03
March 05, 2021	36	10/-	69293.35	Cash	Right Issue	Negligible
November 25, 2022	22,06,320	10/-	Nil	Other than Cash	Bonus Issue	24.97
November 30, 2022	(6)	10/-	15	Cash	Transfer of Shares <sup>(ii)</sup>	Negligible
<b>Total (B)</b>	<b>22,08,850</b>					<b>25.00</b>
<b>(C) Nileshkumar Purshottam Chavhan</b>						
September 26, 2017	2500	10/-	10/-	Cash	Subscription to MOA	0.03
March 05, 2021	36	10/-	69293.35	Cash	Right Issue	Negligible
November 25, 2022	22,06,320	10/-	Nil	Other than Cash	Bonus Issue	24.97
November 30, 2022	(6)	10/-	15	Cash	Transfer of Shares <sup>(iii)</sup>	Negligible
<b>Total (D)</b>	<b>22,08,850</b>					<b>25.00</b>
<b>Grand Total</b>	<b>66,26,550</b>					<b>75.00</b>

Note: None of the Shares has been pledged by our Promoters.

i. Details of transfer of Shares by Binod Prasad of 6 Equity Shares dated November 30, 2022.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer
1.	November 30, 2022	Laxmi Kumari	4
2.		Amruta Avinash Dere	1
3.		Prashant Deshpande	1

ii. Details of transfer of Shares by Atul Maruti Dumbre of 6 Equity Shares dated November 30, 2022.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	November 30, 2022	Suvidha Atul Dumbre	4
2.		Amruta Avinash Dere	1
3.		Prashant Deshpande	1

iii. Details of transfer of Shares by Nileshkumar Purshottam Chavhan of 6 Equity Shares dated November 30, 2022.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer
1.	November 30, 2022	Manali Anilrao Panwar	4
2.		Amruta Avinash Dere	1
3.		Prashant Deshpande	1

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Binod Prasad	22,08,850	1.14
2.	Atul Maruti Dumbre	22,08,850	1.14
3.	Nileshkumar Purshottam Chavhan	22,08,850	1.14

15. Shareholding of Promoters & Promoter Group



Following are the details of pre and post offer shareholding of persons belonging to the category “Promoters and Promoter group”:

Sr.No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Binod Prasad	22,08,850	25.00	21,69,150	24.55
2.	Atul Maruti Dumbre	22,08,850	25.00	21,69,100	24.55
3.	Nileshkumar Purshottam Chavhan	22,08,850	25.00	21,69,150	24.55
	<b>Promoter Group</b>				
4.	Jayesh Jain	22,08,850	25.00	0	-
5.	Laxmi Kumari	4	negligible	4	negligible
6.	Manali Anilrao Pawar	4	negligible	4	negligible
7.	Suvidha Atul Dumbre	4	negligible	4	negligible
8.	Amruta Avinash Dere	4	negligible	4	negligible
9.	Sakshi Garg	4	negligible	4	negligible
	<b>Total</b>	<b>88,35,420</b>	<b>100.00</b>	<b>65,07,420</b>	<b>73.65</b>

16. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Prospectus.

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share	% of Pre Offer Capital	Allotted/ Acquired/ Transferred	Category of Allottees (Promoters/Promoters Group/ Director)
November 25, 2022	Binod Prasad	22,08,850	25.00	Allotment (Bonus issue of shares)	Promoter & Director
	Atul Maruti Dumbre	22,08,850	25.00		Promoter & Director
	Nileshkumar Purshottam Chavhan	22,08,850	25.00		Promoter & Director
	Jayesh Jain	22,08,850	25.00		Promoter Group
November 30, 2022	Binod Prasad	(6)	negligible	Transfer of Shares	Promoter & Director
	Atul Maruti Dumbre	(6)	negligible		Promoter & Director
	Nileshkumar Purshottam Chavhan	(6)	negligible		Promoter & Director
	Jayesh Jain	(6)	negligible		Promoter Group
November 30, 2022	Laxmi Kumari	4	negligible	Acquisition of Shares	Promoter Group
	Manali Anilrao Pawar	4	negligible		Promoter Group
	Suvidha Atul Dumbre	4	negligible		Promoter Group
	Amruta Avinash Dere	4	negligible		Promoter Group
	Sakshi Garg	4	negligible		Promoter Group

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

#### 18. Details of Promoters’ Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post Offer capital held by our Promoters shall be considered as Promoter’s Contribution (“**Promoters Contribution**”) and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Offer. The lock in of Promoter’s Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 66,26,550 Equity Shares constituting 75.00% of the Post-Issued, subscribed and paid up Equity Share Capital, which are eligible for the Promoters’ contribution.

Our Promoters, Binod Prasad, Atul Maruti Dumbre and Nileshkumar Purshottam Chavhan have given written consents to include 17,80,500 Equity Shares (details given below) held and subscribed by them as part of Promoters Contribution constituting 20.15% of the post Offer Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Offer.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Offer/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Offer Shareholding %	Lock in Period
<b>Binod Prasad</b>						
October 20, 2022	5,93,500	10/-	Nil	Bonus Issue in the Ratio of 870: 1	6.72%	3 years
<b>Atul Maruti Dumbre</b>						
October 20, 2022	5,93,500	10/-	Nil	Bonus Issue in the Ratio of 870: 1	6.72%	3 years
<b>Nileshkumar Purshottam Chavhan</b>						
October 20, 2022	5,93,500	10/-	Nil	Bonus Issue in the Ratio of 870: 1	6.72%	3 years
<b>Total</b>	<b>17,80,500</b>				<b>20.15%</b>	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

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

#### **Eligibility of Share for Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237(1) (c)	Specified securities allotted to promoter during the preceding one year at a price less than the Offer Price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoter of the issuer and there is no change in the management: Provided that specified securities, allotted to promoter against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</u></b>

#### **Details of Promoters' Contribution Locked-in for One Year**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-Offer equity share capital constituting 47,26,924 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Offer.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

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

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoters contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Offer.
2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the Promoter Group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Offer Price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.
21. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
22. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 10(Ten) shareholders as on the date of filing of this Draft Red Herring Prospectus.
24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Offer.
26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. None of our Equity Shares has been issued out of revaluation reserve created out of revaluation of assets.
29. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Offer 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 BRLM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

30. In case of over-subscription in all categories the allocation in the Offer shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
31. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net Offer to the public portion.
32. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
34. There are no Equity Shares against which depository receipts have been issued.
35. Other than the Equity Shares, there is no other class of securities issued by our Company.
36. There are no safety net arrangements for this public issue.
37. As per RBI regulations, OCBs are not allowed to participate in this Offer.
38. Except for the Selling Shareholders, our Promoters and Promoter Group will not participate in this Offer.
39. This Offer is being made through Book Building Method.
40. The Promoters and members of our Promoter Group will not receive any proceeds from the Offer, except to the extent of their participation as Selling Shareholders in the Offer for Sale.
41. Our Company has not made any public issue of any kind or class of securities since its incorporation.
42. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Offer is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
43. No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
44. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Prospectus with the Registrar of companies and the Offer Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and the sale of up to 23,28,000 Equity Shares by the Selling Shareholders in the Offer, aggregating to ₹ [●] lakhs. For details of the Offer, see “The Offer” on page 40. For details of Offered Shares from each Selling Shareholder, see “Other Regulatory and Statutory Disclosures” on page 188.

Further, the listing of Equity Shares will enhance our Company’s goodwill and provide liquidity to the existing Shareholders. Our Company expects that the proposed listing will also provide a public market for the Equity Shares in India. The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer.

### Offer expenses

The Offer expenses are estimated to be approximately ₹ [●] lakhs. The Offer expenses comprises of, among other things, listing fee, underwriting fee, selling commission and brokerage, fee payable to the Book Running Lead Manager, legal counsel, Registrar to the Offer, Escrow Bank, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by RIBs using UPI mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees, which will be solely borne by our Company, all other costs and expenses directly attributable to the Offer shall be borne by the Selling Shareholders in proportion to the number of Equity Shares sold by each of them in the Offer.

The details of the Offer Expenses are tabulated below:

Activity	Amt. (Rs. in Lakhs)	As a % of Estimated Offer Expenses	As a % of Offer Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Offer	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Legal Advisors	[●]	[●]	[●]
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

- (1) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Investors, which are directly procured by the SCSBs, would be as follows*

<i>Portion for Retail Individual Applicants*</i>	<i>0.10% of the Amount Allotted* (plus applicable taxes)</i>
<i>Portion for Non-Institutional Applicants*</i>	<i>0.10% of the Amount Allotted* (plus applicable taxes)</i>

*\*Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE*

- (2) *No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

<i>Portion for Retail Individual Applicants</i>	<i>₹10 per valid Bid cum Application Form (plus applicable taxes)</i>
<i>Portion for Non-Institutional Applicants</i>	<i>₹10 per valid Bid cum Application Form (plus applicable taxes)</i>

*Notwithstanding anything contained above the total processing fee payable under this clause will not exceed ₹1 lakh (plus applicable taxes) and in case if the total processing fees exceeds ₹1lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.*

- (3) *The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:*

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	₹10 per valid application (plus applicable taxes)
Sponsor Bank - Axis Bank Limited	₹7 per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- (4) Selling commission on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Applicants	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Applicants	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Applicants*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Applicants*	₹10 per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed Rs.1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants 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.

#### Monitoring utilization of funds from the Offer

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

#### Other confirmations

Except to the extent of proceeds received pursuant to the sale of the Offered Shares, there is no proposal whereby any portion of the Offer Proceeds will be paid to our Promoters, Promoter Group, Directors or Key Managerial Personnel.

## BASIS FOR OFFER PRICE

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 24, 84 and 119 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Offer 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 Offer 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.

For the purpose of making an informed investment decision, the investors should also refer “**Risk Factors**”, “**Our Business**” and “**Financial Statement as restated**” beginning on page 24, 84 and 119 respectively of this Draft Red Herring Prospectus.

### QUALITATIVE FACTORS

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

- a) Extensive and diverse portfolio of electronic items and parts along with content rich platform
- b) Strong, diverse and growing customer base
- c) Scalable and reliable technology platform
- d) Experienced Promoters with strong management team having domain knowledge
- e) Consistent track record of profitable growth and strong financial performance

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 84 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 119 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### 1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements:-

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	F.Y. ending March 31, 2022	6.81	3
2.	F.Y. ending March 31, 2021	1.82	2
3.	F.Y. ending March 31, 2020	0.38	1
	<b>Weighted Average</b>	4.07	
	Half year ending September 30, 2022*	3.35	

\*Not Annualized

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted with the effect of issue of Bonus shares.
- ii. The face value of each Equity Share is Rs.10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. There are no dilutive shares outstanding at the end of the half year ended September 30, 2022 and the Fiscal year ending March 31, 2020, March 31, 2021 and March 31, 2022.

#### 2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
-------------	--------------------------------	------------------------------

P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2021-2022	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

### Industry Peer Group P/E ratio

There are no listed companies in India, the business portfolio of which is comparable with our business.

### 3. Average Return on Return on Net worth (RoNW)\*

Sr. No	Period	RoNW (%)	Weights
1	F.Y. ending March 31, 2022	65.93	3
2	F.Y. ending March 31, 2021	50.96	2
3	F.Y. ending March 31, 2020	62.74	1
4	<b>Weighted Average</b>	<b>60.41</b>	
	Half year ending September 30, 2022	24.50	

\*Restated Profit after tax/Net Worth

#### Note:

i. The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period.

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

Sr. No.	NAV per Equity Share*	(Amt. in Rs.)
1.	As at March 31, 2022	10.32
2.	As at March 31, 2021	3.56
3.	As at March 31, 2020	0.60
4.	As at September 30, 2022	13.67
5.	NAV per Equity Share after the Issue	13.67
6.	Offer Price	[●]

\*The above NAV has been calculated giving the effect of Bonus Shares

#### Note: -

i. The NAV per Equity Share has been computed by dividing restated networth with weighted average number of equity shares outstanding at the end of the year/period.

### 5. Comparison of Accounting Ratios with Industry Peers:

There are no listed companies in India, the business portfolio of which is comparable with our business, accordingly it is not possible to provide an industry comparison in relation to our company.

### 6. Key Performance Indicators

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

The KPIs herein have been certified by Kishor Gujar & Assicoates, Chartered Accountants, by their certificate dated January 11, 2023

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 84 and 176, respectively. We have described and defined the KPIs, as applicable, in **“Definitions and Abbreviations”** on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or 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.

### Key Performance Indicators of our Company

(Rs. in lakhs except % and ratio)

Key Performance Indicator	Six months period ended September 30, 2022*	FY 2021-22	FY 2020-21	FY 2019-20
Revenue from operations <sup>(1)</sup>	3,578.12	5,551.47	2,711.92	1,621.81
EBITDA <sup>(2)</sup>	437.39	873.14	273.57	127.83
EBITDA Margin <sup>(3)</sup>	12.22%	15.73%	10.09%	7.88%
PAT <sup>(4)</sup>	295.85	601.27	158.31	32.97



PAT Margin <sup>(5)</sup>	8.27%	10.83%	5.84%	2.03%
RoE(%) <sup>(6)</sup>	27.91%	98.36%	87.17%	87.08%
RoCE (%) <sup>(7)</sup>	13.79%	39.68%	23.96%	6.79%
Number of Orders <sup>(8)</sup>	1,00,859	2,05,550	1,24,976	82,007
Number of Customers <sup>(9)</sup>	50,662	83,752	59,564	40,433

\* Not Annualized

Notes:

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

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

<sup>(3)</sup> EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

<sup>(8)</sup> Number of orders indicate the count of sales orders which we have received from the customers for the year/period.

<sup>(9)</sup> Number of customers indicate the count of customers who contributed to revenue from operations for the year/period.

### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Number of Orders	Number of orders indicate the count of sales orders which we have received from the customers for the year/period
Number of Customers	Number of customers indicate the count of customers who contributed to revenue from operations for the year/period

### 7. Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with our Company.

### 8. Weighted average cost of acquisition

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

There has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on November 25, 2022 during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company(calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the

right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

#### Primary Transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 05, 2021	144	10/-	69303.35	Rights Issue	Cash	99.80
November 25, 2022	88,25,280	10	Nil	Bonus Issue	NA	Nil

#### Secondary Transactions:

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Face value of Equity Shares	Price Per Equity Share	Nature of transaction	Nature of consideration	Total Consideration (in ₹)
November 30, 2022	Binod Prasad	Laxmi Kumari	4	10	15	Sale	Cash	60
		Amruta Avinash Dere	1	10	15	Sale	Cash	15
		Prashant Deshpande	1	10	15	Sale	Cash	15
November 30, 2022	Atul Maruti Dumbre	Suvidha Atul Dumbre	4	10	15	Sale	Cash	60
		Amruta Avinash Dere	1	10	15	Sale	Cash	15
		Prashant Deshpande	1	10	15	Sale	Cash	15
November 30, 2022	Nileshkumar Purshottam Chavhan	Manali Anilrao Panwar	4	10	15	Sale	Cash	60
		Amruta Avinash Dere	1	10	15	Sale	Cash	15
		Prashant Deshpande	1	10	15	Sale	Cash	15

#### Weighted average cost of acquisition and Offer Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	15	[●]	[●]
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	1.13	[●]	[●]

Note:

^There were no primary / new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above other than Equity Shares issued pursuant to a bonus issue on November 25, 2022, in last 18 months and three years prior to the date of this Draft Red Herring Prospectus.

Macfos Limited is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pune edition of Regional newspaper [●] where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Offer Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages 84, 24 and 119 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors  
Macfos Limited  
Sumant Building, Dynamic Logistics Trade Park,  
Survey No. 78/1, Dighi, Bhosari Alandi Road,  
Pune - 411015,  
Maharashtra

Dear Sirs,

**Sub: Statement of Tax Benefits ('The Statement') available to Macfos Limited ('The Company') and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of Macfos Limited, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares ("the Issue") by the Company.

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

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been/would be met.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

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

For **Kishor Gujar & Associates**  
Chartered Accountants  
Firm Registration No. - 116747W

Sd/-

CA Sangita V Kumbhar (Partner)  
Membership No.:- 156238  
Place:-Pimpri, Pune:- 411018  
Date.:11<sup>th</sup> January, 2023  
CERT No.: 220/2022-23  
UDIN:23156238BGWICY2785

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

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

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

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

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

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

### **Notes:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
4. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act:

- Deduction under the provisions of Section 10AA.
- Deduction under clause (iia) of sub-section (1) of Section 32 (additional depreciation).
- Deduction under section 32AD or Section 33AB or Section 33ABA
- Deduction under section 35AD or Section 35CCC
- Deduction under section 80G

Lower corporate tax rate under Section 115BAA of the Act and Minimum Alternate Tax ('MAT') credit under section 115JAA of the Act which are in general available and hence may not be treated as special tax benefits.

The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability from the Financial Year 2019-20 onwards.

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, 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.*

#### **Electronics Industry in India**

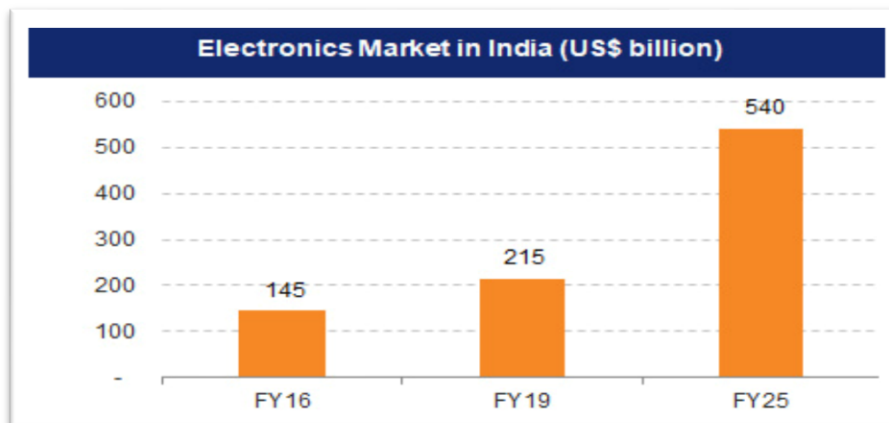
The Indian electronics system design and manufacturing (ESDM) sector is one of the fastest growing sectors in the economy and is witnessing a strong expansion in the country. The ESDM market in India is well known internationally for its potential for consumption and has experienced constant growth.

The ESDM market in India is well known internationally for its potential for consumption and has experienced constant growth. Indian manufacturers are attracting the attention of multinational corporations due to shifting global landscapes in electronics design and manufacturing capabilities, as well as cost structures. Companies from all over the world are striving to develop local capacities in India not only to serve the domestic market but also to cater to international markets.

The Government of India attributes high priority to electronics hardware manufacturing, as it is one of the crucial pillars of Make in India, Digital India and Start-up India programmes.

The Electronics System Design & Manufacturing (ESDM) sector plays a vital role in the government's goal of generating US\$ 1 trillion of economic value from the digital economy by 2025. With various government initiatives aiming to boost domestic manufacturing, India has already started witnessing initial movement with increased production and assembly activities across products such as mobile phones and other consumer electronics.

#### **Electronics market in India**

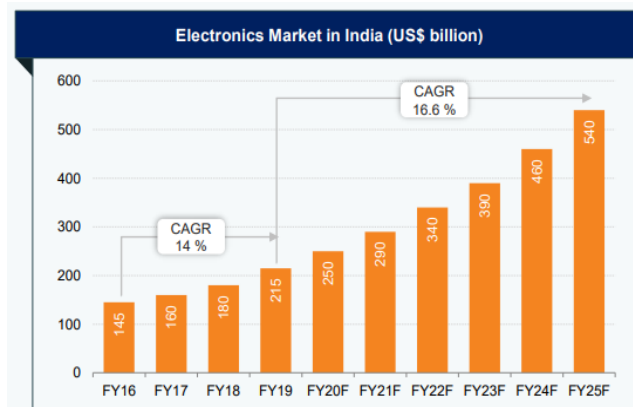


#### ***Overview of Electronics Market in India***

- ✓ The electronics market has grown at a CAGR of 14% from 2016-19 and is expected to accelerate at a CAGR of 16.6% in 2020-25, with the total demand likely to account for US\$ 540 in FY25.
- ✓ In FY2021-22, imports of electronics goods stood at US\$ 73.3 billion, whereas exports stood at US\$ 15.67 billion. Imports of electronics goods stood at US\$ 32,654.14 million from April-August 2022.
- ✓ According to the IESA (India Electronics & Semiconductor Association), more than 90% semiconductor companies globally have their R&D centres in India. The semiconductor R&D generates about US\$ 2.5 billion in revenue and 6 lakh jobs in India.
- ✓ PLI scheme for large scale electronics manufacturing launched by Ministry of Electronics and Information Technology (MeitY) in April 2020 has been extended from existing five years band (FY21-FY25) to six years (FY21-FY26).

- ✓ As per Union Budget 2022-23, the Ministry of Electronics and Information Technology (MeitY) has been allocated Rs. 14,300 crore (US\$ 1.85 billion). In the allocated budget, revenue expenditure allocation is Rs. 13,911.99 crore (US\$ 1.8 billion) and capital expenditure allocation is Rs. 388.01 crore (US\$ 50.4 million).
- ✓ The Indian electronics manufacturing industry is projected to reach US\$ 520 billion by 2025.
- ✓ The key government initiatives such as ‘Make in India’ and ‘Digital India’ improved the country’s EoDB. For 2022-23, the total budget allocation towards the ‘Digital India’ programme is Rs. 10,676 crore (US\$ 1.38 billion).
- ✓ India has been one of the largest consumers of electronic products specifically in Asia-Pacific due to factors such as rising per capita disposable incomes and consumption in the past decade.
- ✓ The ESDM sector is likely to generate US\$ 100-130 billion in economic value by 2025.
- ✓ In March 2022, Reliance announced that it would invest US\$ 220 million in a joint venture with Sanmina Corp, a US-listed company for making electronic products in the Asian countries.
- ✓ The Tata Group announced plans to enter the semiconductor manufacturing business as of August 2021—seeking a proportion of the US\$ 1 trillion high-tech electronics manufacturing sector.
- ✓ The Electronics System Design & Manufacturing (ESDM) market in India is anticipated to increase at a CAGR of 16.1% between 2019 and 2025, owing to strong demand, supportive government policies and increased digitalisation.
- ✓ The ESDM sector plays a key role in the government’s goal of generating US\$ 1 trillion of economic value from the digital economy by 2025.
- ✓ The Government of India attributes high priority to electronics hardware manufacturing as it is an important pillar of Make in India, Digital India and Start-up India programmes.
- ✓ In September 2021, the Indian government started working on policy roadmap to create champions in the design of electronic systems and semiconductors in India. The government has started working on chip manufacturing in India and is in discussion with Taiwan to bring a US\$ 7.5 billion fab unit in India.
- ✓ Exports of electronic goods stood at US\$ 8,287.75 million from April-August 2022.

### Electronics market in India



(Source - <https://www.ibef.org/industry/electronics-system-design-manufacturing-esdm> )

### ADVANTAGE INDIA

#### Robust Demand

- One of the largest consumers of electronic products in the Asia-Pacific region
- Third largest start-up hub coupled with strong research & development (R&D) ecosystem.
- Will be the fifth-largest consumers of electronic products by 2025.
- Bengaluru has been ranked among the world's top 50 start-up cities in 2021.

### **Competitive Advantage**

- Addressable market for domestic OEMs is projected to be >Rs. 10 lakh crore (US\$ USD 131.99 billion) by 2025.
- The Indian government's National Policy on Electronics (NPE 2019) aims to facilitate a turnover of US\$ 400 billion in domestic manufacturing by 2025.

### **Policy Support**

- The production-linked incentive (PLI) schemes will provide companies opportunities to establish manufacturing plants in India.
- 100% FDI is allowed under the automatic route. In case of electronics items for defence, FDI up to 49% is allowed under automatic route and beyond 49%, government approval is required.
- The electronics sector is expected to nearly double in contribution to the GDP in the next few years, owing to increased support from the government to domestic manufacturing.
- Under the PLI scheme for IT Hardware, the approved enterprises are estimated to manufacture equipment worth >US\$ 21.62 billion over the next four years. Of the total production, foreign companies have suggested production worth US\$ 11.38 billion, whereas domestic enterprises have planned a production of US\$10.20 billion.

### **Increasing Investments**

- The government has set a target to get ~Rs. 18,000 crore (US\$ 2.4 billion) investments in the electronics manufacturing segment by 2021-22.
- New schemes, as a part of the National Policy on Electronics (NPE) 2019, outlay to spend ~US\$ 6.7 billion in form of incentives.
- Intel has invested over US\$ 7 billion in design and R&D facilities in the country to date.

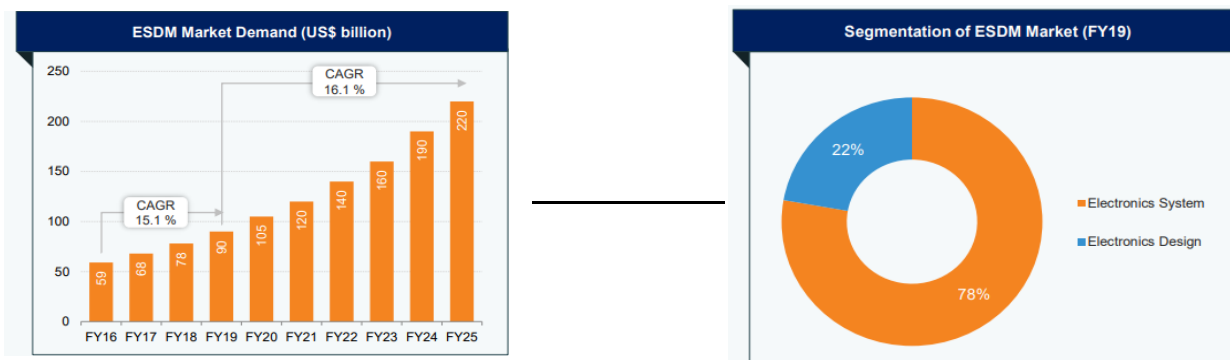
### **OVERVIEW OF ELECTRONICS SYSTEM DESIGN & MANUFACTURING (ESDM) MARKET IN INDIA**

- The Electronics System Design & Manufacturing (ESDM) is broadly segregated into—Electronics System and Electronics Design.
- With a spike in demand for electronic products, the ESDM sector in India is predicted to reach US\$ 220 billion by 2025, rising at a 16.1% CAGR between 2019 and 2025.
- To support the ESDM sector and its growth trajectory, the Government of India (GoI) made electronics production an important pillar of key initiatives such as Make in India, Digital India and Start-up India.
- The ESDM sector plays a vital role in the government's goal of generating US\$ 1 trillion of economic value from digital economy by 2025.
- Electronics system market is expected to witness 2.3x demand compared to FY19 to reach US\$ 160 billion by FY25.
- Electronics design segment, growing at 20.1%, accounted for 22% of ESDM market size in FY19; it is anticipated to be 27% of the ESDM market size in FY25.



## ESDM Market Demand

## Segmentation of ESDM Market



(Source - <https://www.ibef.org/industry/electronics-system-design-manufacturing-esdm>)

### **GROWTH DRIVERS**

#### **1. POLICIES-**

- i) Policy support to promote electronics manufacturing.
- ii) Initiatives such as 'Make in India' and 'Digital India'.
- iii) Skill development initiatives.
- iv) The government notified 3 Schemes (PLI):-Production Linked Incentive(PLI) Scheme; Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS); and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0).

#### **2. DEMAND-SIDE DRIVERS –**

- i) Large consumer base.
- ii) Rollout of 5G, and industrial use of Internet of Things (IoT) technology.

#### **3. INVESTMENT-**

- i) FDI inflows in the Electronics and Electrical Equipments reached US\$ 14.28 billion between April 2000- March 2022.
- ii) Third-largest start-up ecosystem.
- iii) Robust research & development (R&D) ecosystem.

### **GOVERNMENT INITIATIVES AND POLICY SUPPORT**

#### **New schemes to promote electronics manufacturing**

- In April 2020, the Indian government approved three key schemes in order to position India as a global hub for Electronics System Design and Manufacturing (ESDM). This move is anticipated to attract minimum investments worth US\$ 6 billion into the country. The initiative includes Production Linked Incentive Scheme (PLI), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0).

- Of these, Production Linked Incentive Scheme (PLI), one of the biggest incentive, is aimed at boosting domestic manufacturing of mobile phones and their components, including Assembly, Testing, Marking and Packaging (ATMP) units.
- PLI package of ~ US\$ 5.7 billion (Rs. 420 billion) will be extended as an incentive of 4-6% on incremental sales (of locally manufactured goods) for a period of five years.
- This is in line with transforming India into a manufacturing hub of electronics and components, at par with established and more diversified countries such as China and Vietnam.
- In December 2020, the Government of India issued expression of interest (EoI) to set up or expand the existing semiconductor wafer/ device fabrication (FAB) facilities in the country or acquire semiconductor FABs overseas.
- As per Union Budget 2022-23, the Ministry of Electronics and Information Technology (MeitY) has been allocated Rs. 14,300 crore (US\$ 1.85 billion). In the allocated budget, revenue expenditure allocation is Rs. 13,911.99 crore (US\$ 1.8 billion) and capital expenditure allocation is Rs. 388.01 crore (US\$ 50.4 million).
- Ministry of Electronics & Information Technology (MeitY) has announced “Scheme for Promotion of Semiconductor Eco-System” in India with a massive outlay of Rs. 76,000 crore (US\$ 9.48 billion) in 2022.
- Under the production-linked incentive (PLI) scheme for IT Hardware Products, the Ministry of Electronics and Information Technology has approved 14 qualified applicants. To manufacture these products in India, the government will offer incentives of US\$ 983.76 million over the next four years. In this duration, production worth US\$ 21.62 billion and exports of US\$ 8.06 billion are expected.

### **INVESTMENTS/ DEVELOPMENTS**

Some of the investments/ developments in the Electronics System Design & Manufacturing (ESDM) sector in the recent past are as follows:

- FDI inflows in the Electronics and Electrical Equipment reached US\$ 14.76 billion between April 2000-June 2022.
- Exports of electronic goods stood at US\$ 2,009.07 million in September 2022.
- Imports of electronics goods stood at US\$ 7,142.3 million in September 2022.
- In November 2022, Voltas entered into a technology license agreement with Denmark’s Vest frost Solutions to develop, manufacture, sell and service medical refrigeration and vaccine storage equipment including ice lined refrigerators, vaccine freezers and ultra-low temperature freezers to the India market.
- Voltas announced plans of Rs. 400 crore (US\$ 50.10 million) capex under PLI scheme to manufacture components for white goods in May 2022.
- In March 2022, Reliance announced that it would invest US\$ 220 million in a joint venture with Sanmina Corp, a US-listed company for making electronic products in the Asian countries.
- According to sources, Apple Inc. in 2021 manufactures 70% of mobile phones sold in India, a sharp increase from 30% recorded two years ago. This is a significant push towards the “Make in India” initiative, following the government’s Production-linked Incentive (PLI) plan, which began in FY21.
- In September 2021, tech giant Lenovo announced plans to ramp up manufacturing capabilities in India across various product categories, such as PCs, notebooks and smartphones, due to rising consumer demand. However, details of the investment were not disclosed.
- In September 2021, PG Electroplast, a contract manufacturer of electronic goods, announced that it had applied for a PLI scheme and pledged to invest Rs. 300 crore (US\$ 40.47 million) towards the production of air conditioner components.
- Intel has invested over US\$ 7 billion in design and R&D facilities in the country to date.

- As of March 03, 2021, 19 companies have filed for the production-linked incentive (PLI) scheme for IT Hardware. The scheme was open for applications until April 30, 2021; its incentives will be available from April 01, 2021. Over the next four years, the scheme is expected to lead to total production of ~Rs. 160,000 crore (US\$ 21.88 billion). Of the total production, IT hardware companies have proposed production of >Rs. 135,000 crore (US\$ 18.46 billion); and domestic companies have proposed production of >Rs. 25,000 crore (US\$ 3.42 billion).
- The government has set a target to get ~Rs. 18,000 crore (US\$ 2.4 billion) investments in the electronics manufacturing segment by 2021-22.
- On February 16, 2021, Amazon announced that it will commence manufacturing of electronics products from India with Cloud Network Technology, a subsidiary of Foxconn in Chennai, later in the year. The device manufacturing programme will be able to produce 'Fire TV Stick' devices in large quantities every year, catering to demands of customers in India.

(Source - <https://www.ibef.org/industry/electronics-system-design-manufacturing-esdm>)

## **OVERVIEW OF E-COMMERCE INDUSTRY**

In recent years India has experienced a boom in internet and smartphone penetration. The number of internet connections in 2021 increased significantly to 830 million, driven by the 'Digital India' programme. Out of the total internet connections, ~55% of connections were in urban areas, of which 97% of connections were wireless. The smartphone base has also increased significantly and is expected to reach 1 billion by 2026. This has helped India's digital sector and it is expected to reach US\$ 1 trillion by 2030. This rapid rise in internet users and smartphone penetration coupled with rising incomes has assisted the growth of India's e-commerce sector. India's e-commerce sector has transformed the way business is done in India and has opened up various segments of commerce ranging from business-to-business (B2B), direct-to-consumer (D2C), consumer-to-consumer (C2C) and consumer-to-business (C2B). Major segments such as D2C and B2B have experienced immense growth in recent years. India's D2C market is expected to reach US\$ 60 billion by FY27. The overall e-commerce market is also expected to reach US\$ 350 billion by 2030, and will experience 21.5% growth in 2022 and reach US\$ 74.8 billion.

## **EXECUTIVE SUMMARY**

- India e-commerce will reach US\$ 99 billion by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be the key drivers of incremental growth.
- In 2022, the Indian ecommerce market is predicted to increase by 21.5%, reaching US\$ 74.8 billion.
- India's e-commerce market is expected to reach US\$ 350 billion by 2030, with grocery and fashion/apparel likely to be its key growth drivers.
- For the 2021 festive season, Indian e-commerce platforms generated sales worth US\$ 9.2 billion gross GMV (Gross Merchandise Value).
- E-commerce sales is expected to increase at a CAGR of 18.2% between 2021-2025 to reach Rs 8.8 trillion (US\$120.1 billion).
- Online penetration of retail is expected to reach 10.7% by 2024.
- India had the third-largest online shopper base of 150 million in FY21, which is expected to be 350 million in FY26.
- India's digital sector is expected to increase multi-fold and reach US\$ 1 trillion by 2030.
- Through its 'Digital India' campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025.
- The Indian online grocery market is estimated to reach US\$ 26.93 billion in 2027 from US\$ 3.95 billion in FY21, expanding at a CAGR of 33%.
- With a turnover of \$50 billion in 2020, India became the eighth-largest market for e-commerce, trailing France and a position ahead of Canada.

## **INVESTMENTS/DEVELOPMENTS**

Some of the major developments in the Indian e-commerce sector are as follows:

- In June 2022, Amazon India signed an MoU with Manipur Handloom & Handicrafts Development Corporation Limited (MHHDCL), a Government of Manipur Enterprise to support the growth of artisans and weavers across the state.

- India's eCommerce sector received US\$ 15 billion of PE/VC investments in 2021 which is a 5.4 times increase year on year. This is the highest investment value received by any sector ever in India.
- In February 2022 Xpressbees a logistics ecommerce platform become a unicorn valued at US\$ 1.2 billion in 2022. The firm raised US\$ 300 million in its Series F funding.
- In February 2022, Amazon India launched One district One product (ODOP) bazaar on its platform to support MSMEs.
- In February 2022, Flipkart launched the “sell back program” to enable trade in smartphones.
- In January 2022, Walmart invites Indian sellers to join its US market place with an aim of exporting US\$ 10 billion from India each year by 2027.
- In January 2022, Flipkart has announced expansion in its grocery services and will offer services to 1,800 Indian cities.
- In November 2021, XPDEL US- based ecommerce announced expansion in India.
- In September 2021, CARS24, India's leading used car e-commerce platform, has raised US\$ 450 million in funding, comprising a US\$ 340 million Series F equity round and US\$ 110 million in debt from various financial institutions.
- In September 2021, Amazon launched Prime Video Channels in India. Prime Video Channels will give Prime members a seamless experience and access to a variety of popular video streaming services.
- In September 2021, Bikayi, a mobile commerce enabler, raised US\$ 10.8 million in a Series A funding round, led by Sequoia Capital India.
- Flipkart, India's e-commerce powerhouse, announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).

### **GOVERNMENT INITIATIVES**

Since 2014, the Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. Some of the major initiatives taken by the Government to promote E-commerce in India are as follows:

- As of November 2022, the GeM portal has served 12.28 million orders worth Rs. 334,933 crores (US\$ 40.97 billion) from 5.44 million registered sellers and service providers for 62,247 buyer organisations.
- In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing, vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizen.
- National Retail Policy: The government had identified five areas in its proposed national retail policy—ease of doing business, rationalisation of the licence process, digitisation of retail, focus on reforms and an open network for digital commerce—stating that offline retail and e-commerce need to be administered in an integral manner.
- The Consumer Protection (e-commerce) Rules 2020 notified by the Consumer Affairs Ministry in July directed e-commerce companies to display the country of origin alongside the product listings. In addition, the companies will also have to reveal parameters that go behind determining product listings on their platforms.
- Government e-Marketplace (GeM) signed a Memorandum of Understanding (MoU) with Union Bank of India to facilitate a cashless, paperless and transparent payment system for an array of services in October 2019.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.
- In October 2020, Minister of Commerce and Industry, Mr. Piyush Goyal invited start-ups to register at public procurement portal, GeM, and offer goods and services to government organisations and PSUs.
- In order to increase the participation of foreign players in E-commerce, Indian Government hiked the limit of FDI in E-commerce marketplace model to up to 100% (in B2B models).

### **Government and private initiatives influencing e-commerce**

## 1. Bharat Net and Digital India

- Bharat Net broadband aims to connect 361000 villages across 16 states by 2025.
- In the Economic survey of 2021-22, 546,000 kilometres of optical fibre cable have been laid, with 173,000 grammen panchayats connected.
- Under the Digital India movement, Government launched various initiatives like Umang, Start-up India Portal, Bharat Interface for Money (BHIM) etc. to boost digitisation.

## 2. E-commerce draft policy

- The Government of India's Draft National e-Commerce Policy encourages FDI in the marketplace model of E-commerce. Further, it states that the FDI policy for E-commerce sector has been developed to ensure a level playing field for all participants.
- According to the draft, a registered entity is needed for the E-commerce sites and apps to operate in India.
- The telecom provider offered free high-speed internet access to users for first seven months.

## 3. Permanent account numbers (PAN) mandated

- In October 2020, amending the equalisation levy rules of 2016, the government mandated foreign companies operating e-commerce platforms in India to have permanent account numbers (PAN). It imposed a 2% tax in the FY21 budget on the sale of goods or delivery of services through a non-resident ecommerce operator.

## 4. Udaan

- Udaan is a B2B online trade platform to connect small and medium size manufacturers and wholesalers with online retailers. It also provide them logistics, payments and technology support.
- The platform has sellers in over 80 cities of India and delivers to over 500 cities.

## 5. Consumer Protection Rules

- The Consumer Protection (E-Commerce) Rules, 2020, notified by the Consumer Affairs Ministry in July direct e-commerce companies to display the country of origin alongside product listings. In addition, they will also have to reveal the parameters that go behind determining product listings on their platforms.

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

Figure 6- Indian E- Commerce Market



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

## ADVANTAGE INDIA

### 1. Attractive Opportunities

- India's ecommerce market experienced strong sales growth in 2021 and is expected to grow by 21.5% in 2022.
- India's ecommerce market is expected to reach US\$ 99 billion by 2024 and US\$ 300 billion by 2030.

### 2. Growing demand

- India's social commerce has a potential to expand to US \$16-20 billion in FY25, implying a CAGR of 5560%.
- Driven by beauty and personal care (BPC), India's live commerce market is expected to reach a gross merchandise value (GMV) of US\$ 4-5 billion by 2025.
- Due to a surge in e-commerce, annual warehousing space absorption in the top eight Indian cities will increase to 76.2 million sq. ft. by March 2026, up from 31.7 million sq. ft. in 2021.

### **3. Increasing Investment**

- In the first quarter of the calendar year 2022, PE/VC investments in the Indian ecommerce sector stood at US\$ 2.66 billion with a total deals of 47.
- In February 2022 Xpressbees a logistics ecommerce platform became a unicorn with a US\$ 1.2 billion valuation after raising US\$ 300 million in its Series F funding.
- In September 2021, CARS24, India's leading used car ecommerce platform, has raised US\$ 450 million in funding, Series F.
- Flipkart announced in July 2021 that it has raised US\$ 3.6 billion in new funding from various sources including sovereign funds, private equities and Walmart (parent company).

### **4. Policy Support**

- In India, 100% FDI is permitted in the B2B E-commerce.
- As per the new guidelines on FDI in E-commerce, 100% FDI under automatic route is permitted in the marketplace model of E-commerce.
- Heavy investment made by the Government of India in rolling out fiber network for 5G will help boost E-commerce in India.

(Source <https://www.ibef.org/industry/ecommerce>)

## **GROWTH DRIVERS FOR E-COMMERCE**

### **GOVERNMENT INITIATIVES**

- Government initiatives like Digital India is constantly introducing people to online modes of commerce.
- Favourable FDI policy is attracting.
- The Government has proposed "National E-commerce Policy" and has set up a lawful agenda on cross-border data flow where no data will be shared with a foreign Government agency without prior authorization from the Indian Government.

### **INCREASING AWARENESS**

- As the awareness of using internet is increasing, more and more people are getting drawn to E-commerce.
- Whether it's sellers, buyers, users or investors, more and more people are adapting to the use doing commerce online.

### **INVESTMENT**

- India is the land of occasions and Increasing FDI inflow, domestic investment, and support from key industrial players is helping the growth of E-commerce

(Source <https://www.ibef.org/industry/ecommerce>)

## **OUR BUSINESS**

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Macfos Limited.*

*All financial information included herein is based on our “Financial information of the Company” included on page 119 of this Draft Red Herring Prospectus.*

### **Overview**

Driven by the motto, “Your Ideas, Our Parts”, we are primarily an e-commerce based Company focused on the marketing of a broad range of electronic components which finds application in basic and advanced engineering products & projects, including emerging technologies such as IoT, Robotics, Automations, Drone, Electric Vehicles, 3D Printing and Auto Guided Vehicles. Our broad portfolio consists of over +12,000 SKU’s of electronics components and parts that facilitate consumers such as manufacturers, electrical & mechanical engineering students, educational institutions, researchers and developers, to turn their ideas into reality as well as to speed up their product R&D and prototyping cycle.

Through our e-commerce website and mobile application, Robu.in, we sell a broad range of electronic items, including: robotic parts, drone parts, E-bike parts, IoT & Wireless items, 3d printer & parts, DIY learning kits, development boards, raspberry Pi (Single board computers & Peripherals), sensors, motors, motor drivers, pumps, batteries, chargers, electronic modules & displays and various other mechanical and electronic components.

As on September 30, 2022, we are connected with over +140 overseas and domestic vendors for sourcing the electronic items and parts. We also have a portfolio of 3 owned brands (details given hereunder), which are manufactured/procured from third parties based on the specifications built by us through our R&D efforts. With the dedicated fulfillment Centre in Pune, Maharashtra comprising of 7,900 sq. ft. area and third-party logistics services, we are capable to deliver the products across India as well as overseas. In F.Y. 2021-22, we have served over 2 lakh orders from all the 28 states of India and 6 Union Territories of India.

For F.Y. 2021-22, our revenue from operations were Rs. 5551.47 lakhs of which 62.59% were from online mode (website and mobile application) and 37.41% were through offline channel. For six months period ended September’22, we derived 51.47% of the revenue from online mode (website and mobile application) and 48.53% through offline channel. Under the offline channel, we generally serve Corporates and large enterprises. Some of the esteemed customers which have been served by us include ONGC, M&M, Hindustan Aeronautics Ltd., Tata Power Solar Systems Ltd., Central Electronics Engineering Research Institute, Pilani, Wipro Enterprises Pvt. Ltd., Bharat Forge Ltd., Tata Communications Ltd., Schneider Electric India Private Limited etc.

### **Detail of Orders, Customers and Average Revenue per Order for the periods/years indicated below:**

<b>Particulars</b>	<b>Six months period ended September 30, 2022*</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>
Number of Orders	1,00,859	2,05,550	1,24,976	82,007
Number of Customers served	50,662	83,752	59,564	40,433
Revenue from operations (Rs. in lakhs)	3,578.12	5,551.47	2,711.92	1,621.81
Average Revenue per Order (in Rs.)	3475.69	2700.79	2134.4	1952.01

During the F.Y. 2021-22 and in the nine months period ended December’22, we expanded our offerings by introduction of six new customized products relating to metal laser cutting, non-metal laser cutting, SLA 3d printing, FDM 3d printing, PCB manufacturing service and custom Li-ion battery pack. These services are launched by us on our website (robu.in) and mobile application. We manage our website and mobile application through our dedicated in-house IT team, which works continuously to create and enhance personalized experience of our consumers across their journey on our website and mobile-app. We also have internally developed ERP software which is used for order processing, purchase, inventory management, shipping, billing, inter-departmental functioning etc.

Fueled by the desire to provide an easy access to hard-to-find electronic items under one roof and at a reasonable price to various consumers, our existing Promoters namely, Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purushottam Chavhan along with Sachin Chandrashekhar Khante formed the partnership firm, MACFOS, in 2012 and started the electronics e-commerce store website Robu.in in 2014 and launched the Mobile application in 2017. Later in the month of Aug.’2014, Sachin Chandrashekhar Khante retired from the partnership firm and Jayesh Jain entered in the firm. Upon incorporation of our Company, the business of the partnership firm along with its assets and liabilities were acquired by our Company in the year 2018 and 2019.






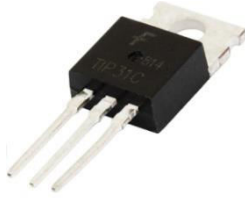
Our sustainable growth in business has been achieved through our founders-led management team with relevant educational qualifications and complementary skill sets. Our founders have been the driving force in developing and growing our business. Their understanding of the consumer difficulty, intuitive entrepreneurship and involvement in key aspects of our business has helped accelerate and drive our profitable growth. Our existing promoters are complemented by a professional management team which shares the same vision and values as theirs to drive our growth.

**Our portfolio of electronic components & items:**

S. No.	Product category	Electronic components & items (on sample basis)		
1	Robotic parts <sup>(1)</sup>	 <p>Niryo One Intelligent Collaborative Robotic Arm</p>	 <p>EasyMech Suspension Shock Absorber Chassis</p>	 <p>Cligo Smart Robot Car Kit 4WD for Kids</p>
2	Drone parts <sup>(2)</sup>	 <p>Robocat 270 Racing Quadcopter Frame</p>	 <p>Lightweight 2-AXIS Brushless Gimbal</p>	 <p>ARF Quadcopter Advanced Combo Kit</p>
3	E-bike parts <sup>(3)</sup>	 <p>Brushless DC Motor</p>	 <p>Brushless Controller</p>	 <p>LI-ION E-bike Battery Case</p>
4	IoT & Wireless items <sup>(4)</sup>	 <p>Mediatek LinkIt ONE IoT Development Board</p>	 <p>SparkFun Pro nRF52840 Mini – Bluetooth Development Board</p>	 <p>Arducam 12MP Pan Tilt Zoom Camera</p>
5	Raspberry Pi items <sup>(5)</sup>	 <p>Raspberry Pi 4 2GB Starter Kit</p>	 <p>7" Raspberry Pi Display with Capacitive Touchscreen</p>	 <p>Raspberry Pi 16mm Telephoto Lens for Pi High Quality Camera</p>



6	3d printer & parts <sup>(6)</sup>	 <p>Creality CP-01 3in1 3D Printing+CNC Cutting+Laser Engraving Machine</p>	 <p>DOBOT MOOZ 3Z Color Mixing 3D Printer</p>	 <p>3D Touch Auto Leveling Sensor</p>
7	Sensors <sup>(7)</sup>	 <p>RP LIDAR Sensor - 360 degrees Laser Range Finder</p>	 <p>Orange 15mm NPN Inductive Proximity Sensor</p>	 <p>HC-SR04-Ultrasonic Range Finder</p>
8	Motors, Motor Drivers and Pumps <sup>(8)</sup>	 <p>Planetary Gear DC Motor</p>	 <p>Stepper Motor Driver Controller</p>	 <p>Mini Vacuum Pump</p>
9	Batteries, Chargers and Accessories <sup>(9)</sup>	 <p>Lithium Polymer Battery Pack</p>	 <p>Lithium Battery Charger</p>	 <p>14 in 1 Multi Charge Plug Adapter Set</p>
10	Development Boards <sup>(10)</sup>	 <p>Arduino Due Board</p>	 <p>SparkFun MicroMod Teensy Processor</p>	 <p>ATTINY85 USB Development Board</p>
11	Electronic Modules and Displays <sup>(11)</sup>	 <p>Chip Audio Module</p>	 <p>Resistive Touch Panel Screen</p>	 <p>Digital Multimeter</p>

12	Mechanical Components and Workbench Tools <sup>(12)</sup>	 <p data-bbox="443 331 651 367">Mecanum Wheels</p>	 <p data-bbox="794 340 1085 367">EasyMech Warrior Chassis</p>	 <p data-bbox="1193 340 1465 367">18in1 RC Tools Kits Box</p>
13	Electronic Components <sup>(13)</sup>	 <p data-bbox="363 609 730 667">Plusivo 3mm Diffused LED Diode Assortment Kit</p>	 <p data-bbox="801 609 1088 667">Microcontroller Integrated Circuit (IC)</p>	 <p data-bbox="1241 609 1417 636">Power Transistor</p>

<sup>(1)</sup>**Robotic parts** – Our portfolio of robotic parts consist of over +70 items which includes various robotic parts such as mecanum wheel, Chassis, robotic arm, shock absorbers, robot car kit etc.

<sup>(2)</sup>**Drone parts** – Our range of drone parts consist of over +850 items which includes drone kits, drone frame & accessories, flight controller, drone transmitter & receiver, FPV Cameras, GPS and antennas, drone motor, drone speed controller, propellers, drone gimbal accessories etc.

<sup>(3)</sup>**E-bike parts** – Our range of e-bike parts consist of over +100 items which includes e bike kits, motors & controllers, batteries and other mechanical & electronic accessories.

<sup>(4)</sup>**IoT & Wireless items** - Internet of Things, or IoT, is a way to connect commonly used objects to the Internet and then controlling them through a WiFi connected device. Our range of IoT & Wireless items consist of over +550 items which includes cameras, development board/kits, Wifi module, Bluetooth & NRF Module, GSM/GPRS, IR and RF transmitters & receivers, advance controller board and wireless smart switches.

<sup>(5)</sup>**Raspberry Pi items** - Our range of raspberry Pi items consist of over +350 items which includes cameras, HATs, displays, cases, Kits, Boards and accessories.

<sup>(6)</sup>**3d printer & parts** - Our range of 3d printer & parts consist of over +500 items which includes 3d printers, heat bed, couplings, display and controller, extruder parts, nozzle, filaments, smooth rod, linear guild rail, timing belt and pulley, limit switch, kits etc.

<sup>(7)</sup>**Sensors** - Our range of sensors consist of over +1100 items which includes LiDAR sensor, Proximity sensor, line sensor, gas and dust sensor, ultrasonic sensor, rotary encoder, distance sensor, light/colour sensor, flame sensor, sound sensor etc.

<sup>(8)</sup>**Motors, Motor Drivers and Pumps** - Our range of Motors, Motor Drivers and Pumps consist of over +900 items which includes DC Motor with gearbox, servo motors, metal gear box motors, motor drivers, plastic gear box motors, AC Motors, linear motor/actuator, solenoid and electromagnets, pumps, vibration motors etc.

<sup>(9)</sup>**Batteries, Chargers and Accessories** - Our range of Batteries, Chargers and Accessories consist of over +1300 items which includes Li-PO batteries, lithium-ion batteries, non rechargeable batteries, batteries connectors, battery harness, power adopter and cables etc.

<sup>(10)</sup>**Development Boards** - Our range of Development boards consist of over +400 items which includes Original Arduino Boards and Shields, Raspberry Pi Boards, PIC Development Boards, AVR Development Boards, Teensy Boards, Advance Development Boards etc.

<sup>(11)</sup>**Electronic Modules and Displays** - Our range of Electronic Modules and Displays consist of over +1250 items which includes electronic modules, displays, Oscilloscope & Signal Generator, power supply items and measuring instruments.

<sup>(12)</sup>**Mechanical Components and Workbench Tools** - Our range of Mechanical Components and Workbench Tools consist of over +700 items which includes wheels, chassis, soldering tools, workbench tools, glue gun & sticks, carbon fiber, bearings, couplings, gears, motor mounting brackets etc.

<sup>(13)</sup>**Electronic Components** - Our range of Electronic Components consist of over +3650 items which includes resistor, capacitor, inductor, transistor, semiconductor IC, microcontroller IC, plugs/connectors, mechanical switches, LED's and indicators, buzzer/speakers, fuse, relay, splices etc.

The following table sets forth information on our product mix in the periods indicated:

(Rs. in Lakhs)

Category	F.Y. ended						6 Months ended	
	March 31, 2020		March 31, 2021		March 31, 2022		Sept. '22	
	Amt.	In %	Amt.	In %	Amt.	In %	Amt.	In %
Sensors	189.43	11.68%	384.26	14.17%	779.58	14.04%	449.74	12.57%
Batteries, Chargers and Accessories	232.62	14.34%	254.94	9.40%	566.64	10.21%	429.41	12.00%
Raspberry Pi (Single board computer) and peripherals	229.02	14.12%	394.99	14.57%	689.45	12.42%	421.12	11.77%
Drone parts	223.17	13.76%	268.56	9.90%	439.53	7.92%	369.44	10.32%
Development Boards	152.69	9.41%	263.34	9.71%	459.63	8.28%	280.75	7.85%
Robotic parts	121.18	7.47%	223.90	8.26%	446.09	8.04%	272.54	7.62%
Electronic Modules and Displays	44.03	2.71%	129.87	4.79%	385.97	6.95%	258.76	7.23%
3d printer & parts	66.00	4.07%	143.43	5.29%	331.40	5.97%	247.53	6.92%
IoT & Wireless items	98.71	6.09%	165.38	6.10%	375.68	6.77%	226.91	6.34%
Motors, Motor Drivers and Pumps	140.02	8.63%	197.00	7.26%	350.05	6.31%	217.03	6.07%
Electronic Components	51.42	3.17%	100.04	3.69%	259.49	4.67%	164.36	4.59%
Mechanical Components and Workbench Tools	65.08	4.01%	172.28	6.35%	344.08	6.20%	141.29	3.95%
Orange Custom Li-on Battery Pack	-	-	-	-	51.89	0.93%	47.54	1.33%
E-bike parts	8.44	0.52%	13.93	0.51%	53.20	0.96%	35.52	0.99%
FDM 3D Printing	-	-	-	-	13.64	0.25%	14.87	0.42%
Non Metal Laser Cutting	-	-	-	-	1.50	0.03%	1.33	0.04%
Metal Laser Cutting	-	-	-	-	3.16	0.06%	-	0.00%
SLA 3D Printing	-	-	-	-	0.49	0.01%	-	0.00%
<b>TOTAL</b>	<b>1,621.81</b>	<b>100%</b>	<b>2,711.92</b>	<b>100%</b>	<b>5,551.47</b>	<b>100%</b>	<b>3,578.12</b>	<b>100%</b>

**Our owned Brands** – As on date of Draft Red Herring Prospectus, we have a portfolio of 3 owned brands. Our owned brand portfolio is executed by identifying gaps in the market, both across requirements of diverse consumers and multiple price points, and building brands to suit these needs, with a focus on high quality electronic components. The manufacturing/procurement for such brand items is carried out by third parties. For Fiscal 2022 and six months period ended September'22, our revenue from sale of owned branded products were Rs. 442.79 lakhs and Rs. 284.21 lakhs respectively which constituted 7.98% and 7.94% of total revenue from operations. Our owned brands are available on our online channel. Details of our owned brands are:-



**SmartElex** – SmartElex is a brand focused on electronic boards/modules and accessories. As on date of this Draft Red Herring Prospectus, we have 35 items under this brand.

**Orange** – Our Orange brand offers various electronic items such as Lithium based batteries, Motors, encoders, switches, power adapters, drone kits etc. As on date of this Draft Red Herring Prospectus, we have 627 items under this brand.

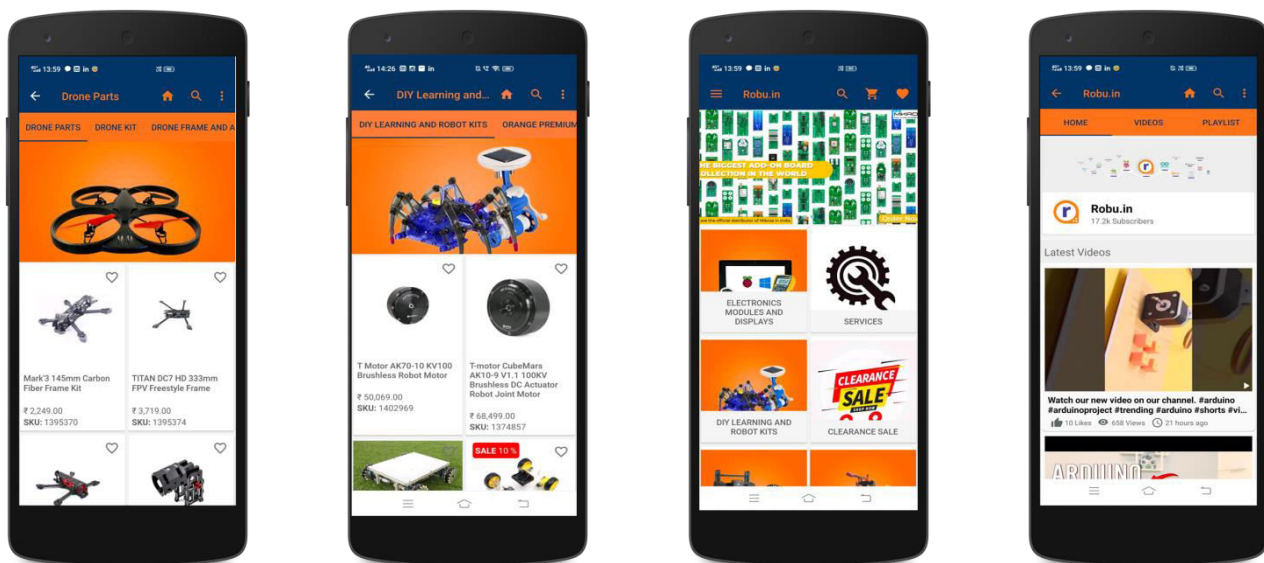
**EasyMech** – EasyMech brand is focused on the mechanical items such as compression springs, Wheels, Couplings, Mounting Brackets, Robotics- Learning Kits, Aluminum extrusion profiles, spacer & standoff, bearings etc. As on date of this Draft Red Herring Prospectus, we have 320 items under this brand.

**Our range of customized material and services being offered:-**

- Metal laser cutting**- Laser cutting is a technology that uses a laser to vaporize materials, resulting in a cut edge. We provide laser cutting in three type of metals i.e. aluminium, stainless steel and mild steel which can be customized on the basis of thicknesses.

- b) **Non-metal laser cutting** - We provide laser cutting in five non metal materials i.e. acrylic, Aeroply, MDF, mirror acrylic and balsa wood which can be customized on the basis of thicknesses and colors.
- c) **SLA 3d printing**-Stereolithography (SLA) is a laser-based 3d printing method used to create concept models, cosmetic prototypes, and complex parts with intricate geometries.
- d) **FDM 3d printing**-Fused deposition modeling (FDM) is a material extrusion method of 3d printing where hot materials are extruded through a nozzle and joined together to create 3d objects.
- e) **PCB manufacturing service**- Printed Circuit Board (PCB) is the chassis of any electronic module/ boards. It is a medium used to connect electronic components to one another in a controlled manner.
- f) **Custom battery pack (Li-ion)** -Lithium- ion battery comes in a single cell, which has lesser voltage and current capacity. It is widely used in portable consumer electronics and electric vehicles. We assemble the battery pack according to the application/ product requirement considering the factors such as charging, discharging, safety and heat management.

### Mobile Application Walkthrough (Robu.in)



### OUR COMPETITIVE STRENGTHS

#### *Extensive and diverse portfolio of electronic items and parts along with content rich platform*

Over the years, we have created an extensive portfolio of over +12,000 SKU's electronic items and parts ranging from robotic parts, drone parts, E-bike parts, IoT & Wireless items, raspberry Pi items, 3d printer & parts, DIY learning kits, development boards, sensors, motors, motor drivers, pumps, batteries, chargers, electronic modules & displays and various other mechanical and electronic components. Our portfolio includes over +100 brands including international brands such as Raspberry-Pi, AdaFruit, Arduino, Cytron, WaveShare Electronics as well as non branded products. The breadth of our portfolio, coupled with our understanding of the needs and preferences of the consumers in the electronics field, enables us to be a one stop destination to cater to the varying needs of our diverse consumer base.

In the electronics parts business, consumers often require assistance to navigate a fragmented and wide assortment. We believe that purchase decisions can be simplified in through relevant educational content. In order to drive widespread product education, we frequently create content based videos and blogs which are displayed on our website and mobile application. Our content is majorly focused on the DIY electronic projects which can be made using the electronic parts available on our platform. We create and film a majority of our content in-house through the internal team.

Our Company is active on various social media platforms like Facebook, Instagram & YouTube and has ~ +40,000 subscribers/ followers over these platforms on cumulative basis. These platforms enable us to spread awareness of latest technological products and promote our offerings and enable us to connect with our target audience.

### ***Strong, diverse and growing customer base***

We have a strong and diversified consumer base across India. In the F.Y. 2021-22, we have served over 2 lakh orders placed by over 83,000 consumers on our website, mobile application and directly. These orders have been placed from all the 28 states and 6 Union Territories of India. For F.Y. 2021-22, our revenue from operations were Rs. 5551.47 lakhs of which 62.59% were from online mode (website and mobile application) and 37.41% were through offline channel. For six months period ended September'22, we derived 51.47% of the revenue from online mode (website and mobile application) and 48.53% through offline channel. Under the offline channel, we generally serve Corporates and large enterprises. Some of the esteemed customers which have been served by us include ONGC, M&M, Hindustan Aeronautics Ltd., Tata Power Solar Systems Ltd., Central Electronics Engineering Research Institute, Pilani, Wipro Enterprises Pvt. Ltd., Bharat Forge Ltd., Tata Communications Ltd., Schneider Electric India Private Limited etc. Our diverse customer base helps us limit our dependency on a specific customer segment or geography thereby reducing financial and concentration risk.

### ***Scalable and reliable technology platform***

We engage with consumers mainly through easy-to-navigate mobile app and website which automate and digitize the consumer journey of purchasing electronic parts. We manage our website and mobile application through our dedicated in-house IT team, which works continuously to create and enhance personalized experience of our consumers across their journey on our website and mobile-app. We also have an internally developed ERP software which is used for order processing, inventory management, shipping, billing etc. Our mobile app and website (desktop and mobile) is designed to be scalable and reliable providing us flexibility to launch new products/features as per our internal road map.

### ***Experienced Promoters with strong management team having domain knowledge***

Our Promoters have a deep understanding of our Consumers' pain points of procuring hard to find electronic components. We have an experienced management team led by our Promoters, Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purushottam Chavhan who have cumulatively over 30 years of experience in the electronics industry and we benefit immensely from their expertise. Our promoters, Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purushottam Chavhan have been actively involved in the day-to-day management of our Company. We are also supported with adequate technical and commercial team having relevant experience of the industry which helps us to achieve the organizational goals. We believe that our management team's experience and their understanding of the electronics industry will enable us to continue to take advantage of both current and future market opportunities.

### ***Consistent track record of profitable growth and strong financial performance***

Our focus on functional and operational excellence has contributed to our track record of consistent profitable growth and strong financial performance. In the six months period ended Sept.'22 and Fiscal 2022, Fiscal 2021 and Fiscal 2020, we have earned an EBITDA of Rs. 437.39 lakhs, Rs. 873.14 lakhs, Rs. 273.57 lakhs and Rs. 127.83 lakhs respectively and net profit after tax of Rs. 295.85 lakhs, Rs. 601.27 lakhs, Rs. 158.31 lakhs and Rs. 32.97 lakhs respectively. We have reported Return on Net Worth of 24.50% (not annualized) for six months period ended September'22 and 65.93%, 50.96% and 62.74% for the Fiscal 2022, Fiscal 2021 and Fiscal 2020, respectively.

## **OUR BUSINESS STRATEGIES**

### ***Continue to acquire new consumers and widen consumer base***

We have built our consumer base over the years and continue to aim to attract new consumers to our platform by providing a large array of electronic items and solutions and offering necessary support services. Our strategy is to provide our customers with a comprehensive range of products at value for money prices and maintain optimal customer service standards. To generate brand awareness and traffic for our platform, we intend to continue to carry out digital marketing activities such as Google Ads & Facebook Ads and also aim to utilize content-based marketing through content articles, search engine optimization and social media presence. We have historically incurred significant expenditure towards advertisement to increase customer acquisition. For Fiscal 2022, our advertisement expenses stood at Rs. 131.40 lakhs representing an increase of 55.87% as compared to Fiscal 2021. As we look to expand our consumer base, we intend to have additional sales and marketing team focused primarily on B2B customers in order to penetrate the untapped market.

### ***Continue to grow platform by offering new products and services***

We intend to continue to devote substantial resources towards expanding our capabilities to offer new products and services. For instance, we have recently obtained a property on lease at Chakan Industrial Area, Phase I, Mhalunge, Khed, Pune, which we plan to use it as fulfillment centre in future, after construction of building premises. Further, during the F.Y. 2021-22 and six months ended September'22, we expanded our offerings by introduction of six new services which pertain to metal laser cutting, non-metal laser cutting, SLA 3d printing, FDM 3d printing, PCB manufacturing service and custom Li-ion battery pack and we aim to expand our portfolio further in the segment of drone & UAV, microcontroller & microprocessor, industrial automations, IOT & machine learning, prototyping services etc. We plan to leverage on the database and our knowledge of technological trends, consumer spending patterns and behaviors so as to keep abreast of recurring changes in demand of electronic items and parts. We

are focused on enlarging our own brand products specifically high selling SKU items eg. RC remotes, Aurdino boards and modules, drone parts etc. We will continue to introduce new electronic items and parts depending on the latest technology. We believe that a continuous review of our portfolio according to our evolving understanding of customer preferences and technology will help us better cater to our consumers' needs, enhance their shopping experience and maximize our sales.

### ***Deepen and broaden our vendor relationships***

We have a strong vendor network enabling flexibility and procurement of electronic items and parts at the competitive prices. We also act as the authorized distributors/re-sellers of some of our suppliers. As part of our continuous efforts to offer a curated assortment of electronic items and parts to our consumer base, we will continue to make efforts in entering into relationship with new vendors constituting brands and non brands. We will also continue to nurture our existing vendor relationships. Our business model and pricing strategy require us to maintain high levels of operational efficiency on a consistent basis. Thus, we believe that supply chain management is very critical to our business. Hence, maintaining strong relationships with our key vendors is essential to our business strategy and to the growth of our business. We aim to continue deepen and broaden our relationships with the suppliers through cooperation and closer coordination.

### ***Focus on human resource development***

Our employees are critical to our business. We internally assess our employees to periodically identify competency gaps and use development inputs (such as training and job rotation) to address these gaps. We have been successful in building a team of talented professionals and intend to continue placing emphasis on managing attrition and attracting and retaining motivated employees. We plan to invest in training programs and other resources that enhance our employees' skills and productivity. We will continue to help our employees develop understanding of our customer-oriented corporate culture and service quality standards to enable them to continue to meet our consumers' changing needs and preferences. We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivised.

## **OUR BUSINESS PROCESS**

**Procurement and Supply Chain Management-** We procure the electronic items from over +140 overseas and domestic vendors which are distributors, manufacturers and retailers. We carefully select our suppliers to ensure that we sell good quality products and periodically evaluate our suppliers to ensure that their production standards meet our criteria. As on date of this Draft Red Herring Prospectus, we have a centralized dedicated fulfillment centre, spread across an area of 7,900 sq. ft., located in Pune.

Our ERP software has a function of inventory management system, which allows us to track the inventory level and movement of our SKUs on a daily basis thereby allowing us to control our inventories effectively. We place orders with our suppliers based on the results of our analysis of customer demand and product assortment requirements to fit our customers' preferences. Orders are placed based on data generated from our ERP system in relation to current inventory levels as well as forecasted and historical inventory and sales data. Given the wide range of products we offer online, we do not have standard inventory retention days for our inventories. We closely monitor our inventory levels to ensure that our inventories are fresh by adopting a first-in, first-out policy for all our products.

**Sales Operations-** We mainly sell our products through our online channel (website and mobile application). In case of any bulk orders, we also accept direct/offline orders, which are manually entered in ERP System. The order processing is also managed through ERP software and the orders are packed and handed to logistics partner from our fulfillment centre itself. Our online platform offers multiple digital payment options including cash on delivery. We mainly work with Blue Dart Express Limited to execute our deliveries, collect payments in respect of Cash on Delivery (COD) shipments and ensure smooth and efficient courier delivery of products to our consumers.

**Support to Customers** – The customer support team addresses all queries, issues, returns, replacements etc. through ERP system. The Customers can reach us through our toll-free numbers or via creating a support ticket on our platforms. We have an automated ticketing system through which all queries are logged into our system and tracked for timely closure.

## **CAPACITY AND CAPACITY UTILIZATION**

Capacity and capacity utilization is not applicable to our company since we are not engaged in any manufacturing activities.

## **EXPORT OBLIGATION**

Our Company does not have any export obligation as on date of this Draft Red Herring Prospectus.

## **COLLABORATIONS/TIE UPS/ JOINT VENTURES: -**

In the normal course of our business, we have not entered into any collaborations/tie ups/ joint ventures

## **COMPETITION: -**

The market for electronic items and parts is highly competitive and rapidly evolving. We have a number of competitors offering products and services similar to us. Competition emerges from both small and big players. We believe the principal elements of competition in this industry is product quality, reliability and quality of service and most importantly the pace in keeping up with the required inventories due to changing technology. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage against our competitors. Moreover, there are minimal entry barriers in this industry and any expansion in capacity by existing competitor would further intensify competition. Some of our competitors in the market include Element14 India Pvt Ltd, Arrow Electronics Pvt. Ltd., Mouser electronics India Pvt Ltd and Millennium Semiconductors India Pvt Ltd

## **MARKETING**

We primarily undertake digital marketing where we reach out to prospective and existing customers primarily through online channels including emails, social media and search engine optimization. In a country of large number of internet users, we have taken various initiatives in digital marketing and social media marketing. To generate brand awareness and traffic for our platform, we carry out digital marketing activities such as Google Ads & Facebook Ads and also utilize content-based marketing through content articles, search engine optimization and social media presence. We have historically incurred significant expenditure towards advertisement to increase customer acquisition. Social media marketing provides us with a way to reach new users and engage with existing users. Our Company is active on various social media platforms like Facebook, Instagram & YouTube and has ~ +40,000 subscribers/ followers over these platforms on cumulative basis. These platforms enable us to spread awareness of latest technological products and promote our offerings and enable us to connect with our target audience. For Fiscal 2022, our advertisement expenses stood at Rs. 131.40 lakhs representing an increase of 55.87% as compared to Fiscal 2021.

## **INFRASTRUCTURE & UTILITIES: -**

**Materials:** -We have a portfolio of over 12,000 SKU's of electronics hardware components and parts, which are procured by us from third party international and domestic vendors. We also have a portfolio of 3 owned brands which are manufactured/procured from third parties based on the specifications built by us through our R&D efforts. Our procurement team conducts detailed research on an ongoing basis to locate the best product sources available, in relation to both quality and price. Our sustained efforts to improve our strong supplier network have led to a significant advantage in procurement leading to an efficient supply and sale cycle.

**Fulfillment Centre and Logistics:** As on date of this Draft Red Herring Prospectus, we have one centralized dedicated Fulfillment Centre spread in an area of 7,900 sq. ft. located in Pune. In respect of logistics, we work with delivery companies such as Blue Dart Express Limited to execute our deliveries and ensure smooth and efficient courier delivery of products to our consumers.

**Human Resource:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. As on November 30, 2022, our Company has employed 94 employees at various levels of the Organization. Additionally, as November 30, 2022, we also utilized the services of 38 persons engaged as contract labour.

**Power& Water:** - Our power and water requirements are minimal. We source electricity from Maharashtra State Electricity Distribution Co. Ltd. and water requirement is met through local sources.






## **INSURANCE: -**

As on date of this Draft Red Herring Prospectus we have obtained various insurance policies such as insurance coverage in respect of certain risks related to stock at warehouse, furniture & fixtures, fittings, other equipments and marine cargo insurance policy. Also we have obtained insurance policies in respect of Group mediclaim policy for employees. While we believe that the level of insurance we maintain would be reasonably adequate to cover the normal risks associated with the operation of our all material hazards, which may affect our business, results of operations and financial condition. We do not have insurance policies to cover all possible events and economic loss. For further details, kindly refer the section on "Risk Factors" beginning on page 24 of this Draft Red Herring Prospectus. Our insurance coverage may not adequately protect us against all material hazards, which may affect our business, results of operations and financial condition.

## **PROPERTIES:-**

### **Intellectual Properties: -**

Below is the list of trademarks used by our Company along with their status of registration:-

Sr. No.	Brand Name/Logo/ Trademark	Class	Nature of Trademark	Owner	Trade Mark registration Number / Application Number	Status
1.		09	Device Mark	Macfos Private Limited	5023992	Registered
2.		09	Device Mark	Macfos Private Limited	5023993	Objected
3.		09	Device Mark	Macfos Private Limited	4480992	Opposed
4.		09	Device Mark	Macfos Private Limited	5186791	Registered
5.	SMARTELEX	09	Word Mark	Macfos Private Limited	5186790	Objected
6.		09	Device Mark	Macfos Private Limited	5186789	Objected
7.	EASYMECH	09	Word Mark	Macfos Private Limited	5186788	Accepted & Advertised

#### Immovable Properties: -

Details of our properties are as follows: -

Sr. No	Details of the Property	Usage	Owned/Leased/ License	Consideration/ Lease Rental/ License Fees
1.	Sumant Building, Dynamic Logistics Trade Park, S. No. 78/1, Dighi, Bhosari Alandi Road, Pune – 411-015	Registered Office	Leave and Licence basis	Obtained via Leave and Licence agreement dated September 27, 2018 for a period of five years commencing from October 01, 2018 at a consideration of Rs. 3.62 lakhs p.m.
2.	Tung Warehouse, Dynamic Logistics Trade Park, S. No. 78/1, Dighi, Bhosari Alandi Road, Pune – 411-015	Fulfilment center (Warehouse)	Rental basis	Obtained via Warehouse and Inventory Management Agreement dated June 20, 2022 entered with Stark Logistics LLP for a period of six months till November 30, 2022 at a service charge of Rs. 73,440/- p.m.*
3.	Purandar Warehouse, Dynamic Logistics Trade Park, S. No. 78/1, Dighi, Bhosari Alandi Road, Pune – 411-015			Obtained via Warehouse and Inventory Management Agreement dated January 17, 2022 entered with Stark Logistics LLP for a period of one year till December 31, 2022 at a service charge of Rs. 1,65,780/- p.m.*
4.	Plot No. A-34, Chakan Industrial Area, Phase I, Mhalunge, Khed, Pune	Proposed fulfilment center in future	Leased	Obtained on lease at a consideration of Rs. 3.73 crores through Assignment of Lease deed dated August 02, 2022 for the remaining lease period. (Original lease period - 95 years from the year 2008)



*\*The said agreements have been expired and are under process of renewal. For details, please refer to Risk Factor “We are in process to renew the warehouse and inventory management agreements in respect of the fulfilment center from which we carry out our business activities. In case of non renewal of such agreements or dispute in relation to use of the said premise or other premise, our business and results of operations can be adversely affected.” on page 28 of this DRHP.*

## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

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

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this Draft Red Herring Prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “**Government and Other Approvals**” beginning on page 183 of this Draft Red Herring Prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company

### **Key Acts, Regulations and Policies governing our Company**

#### **Consumer Protection Act, 2019 (the “Consumer Protection Act”) and rules made thereunder.**

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

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

#### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)**

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated 01st June, 2020 revising definition and criterion and the same came into effect from 01st July, 2020. The notification revised the definitions as “Micro enterprise”, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; “Medium enterprise”, where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

### ***Information Technology Act, 2002 (“Information Technology Act”)***

The Information Technology Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third party information liability and creates liability for failure to protect sensitive personal data.

The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediaries Rules”) on February 25, 2021, requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

### ***The Personal Data Protection Bill, 2019 (the “Bill”)***

The Bill, which proposes to supersede the Information Technology Act deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorises two kinds of data, (a) “Personal Data” data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) “Sensitive Personal Data” includes such personal data, which may, reveal, be related to, or constitute: (i) financial data;(ii) health data;(iii) official identifier;(iv) sex life;(v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, acts done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and acts done for preventing incitement to commission of any cognisable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

### **Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012**

(“Compulsory Registration Order”) The Compulsory Registration Order mandates that the manufacturing, storage, import, sale or distribution of goods which do not meet the specified standard and/or bear a self-declaration confirming conformance to relevant Indian Standard is prohibited. The only exception is for those goods which are manufactured for export. Further, any sub-standard or defective goods must be deformed beyond use by the manufacturer and disposed of as scrap. The Compulsory Registration Order is issued by the Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India (“DEIT”).

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **E-Waste Management Rules, 2016 (the “E-Waste Rules”)**

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment as classified under the E-Waste Rules, including their components, consumables, parts and spares which make the product operations. The E-Waste Rules mandate that a manufacturer must obtain an authorisation from the state pollution control board and also submit annual returns to the same Authority. Producers of such e-waste also have extensive responsibilities and obligations and may come under the scrutiny of either the central pollution control board or the state pollution control board. The manufacturer, producer, importer, transporter, refurbisher, dismantler and recycler shall be liable for all damages caused to the environment or a third party due to improper handling and management of the e-waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

### **Legal Metrology Act, 2009 (the “L.M. Act”)**

The L.M. Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides Legal Metrology (Packaged Commodities) Rules, 2011, which may be followed for due compliance. These Rules regulate pre-packaged commodities in India and inter – alia mandate certain labelling requirements prior to sale of such commodities.

### **Laws relating to Country of Origin.**

Currently, Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”) require a declaration of 'country of origin' or 'country of manufacture' or 'country of assembly' on the imported products. This is aimed at curbing false and misleading claims by the brands to deceive the customers, as also to give complete information of the product to a potential buyer. Demands for specifying the Country of Origin (“COO”) of products sold online has gained ground in view of Prime Minister's vision "Make in India". The Government had asked e-commerce entities to adhere to the Packaged Commodity Rules and display Country of Origin of products listed on their platform/s by August 01, 2020. In the recently draft of proposed amendment to the Consumer Protection (E-Commerce) Rules, 2020, inter alia, requires and e-commerce entity that offers imported goods or services for sale, to identify goods based on their country of origin, provide a filter mechanism on their e-commerce website and display notification regarding the origin of goods at the pre-purchase stage, at the time of goods being viewed for purchase, suggestions of alternatives to ensure a fair opportunity for domestic goods and further to provide ranking for goods and ensure that the ranking parameters do not discriminate against domestic goods and seller.

### **Shops and Establishments Act of relevant state**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2021 (“Compulsory Registration Order”)**

The Compulsory Registration Order was introduced by the Ministry of Electronics and Information Technology in exercise of the powers conferred to the Central Government under the BIS Act. The Compulsory Registration Order requires goods or articles specified thereunder to conform with the relevant Indian Standard and bear a standard mark under a license from the Bureau of Indian Standards. The EITG Order provides for the registration of certain scheduled electronic goods under relevant Indian Standards (“IS”) as prescribed by the BIS. As per the EITG Order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the IS specified in the EITG Order. Further, manufacturers of these products are required to apply for registration from the BIS after getting their product tested from BIS recognized labs and requires manufacturers to mandatorily display the relevant IS mark as notified by the BIS on their products. Further, the BIS may notify additional categories of electronic goods requiring registration from time to time. The EITG Order also provides the BIS powers to inspect the premises of the manufacturer to ensure conformity of the products and issue directions in this regard.

### **Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 (“Quality Control Order”)**

The Quality Control Order prohibits any person from manufacturing or storing for sale, selling, or distributing any electrical wires, cables, appliances, protection devices and accessories which do not conform to the specified standards and do not bear the standard mark of the Bureau of Indian Standards on obtaining a certification marks license. The Quality Control Order also requires any such person to provide information when requested by the appropriate authority, or furnish samples of electrical wires, cables, appliances, protection devices and accessories, or any components thereof.

## **The Indecent Representation of Women (Prohibition) Act, 1986 (“IRWA”)**

The IRWA prohibits indecent representation of women through advertisements, publications, writings, paintings, figures or in any other manner. It states that no person shall publish or release any advertisements involving an obscene portrayal of women or agree to participate in the publication or show, in any form. In the event an offence under IRWA has been committed by a company, every person, who, at the time the offence was committed was in-charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

## **Competition Act, 2002**

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to ₹ 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

## **GENERAL CORPORATE COMPLIANCE AND TAX RELATED LEGISLATIONS**

### **Companies Act, 2013 (the “Companies Act”)**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

### ***Goods and Service Tax (GST)***

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

### ***Income Tax Act, 1961***

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year.

## **EMPLOYMENT AND LABOUR LAWS**

***Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 (“the EPF Act”) and the Employees Provident Fund Scheme, 1952***

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

#### ***Employees Deposit Linked Insurance Scheme, 1976***

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

#### ***The Employees' Pension Scheme, 1995***

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

#### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day.

#### ***Payment of Gratuity Act, 1972***

Under the Payment of Gratuity Act, 1972, an employee in a factory or any other establishment in which 10 or more than 10 persons are employed on any day during an accounting year who is in continuous service for a period of five years notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee is eligible for gratuity upon his retirement, superannuation, death or disablement.

#### ***Minimum Wages Act, 1948 ("MWA")***

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

#### ***Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

#### ***Equal Remuneration Act, 1979***

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

#### ***Child Labour Prohibition and Regulation Act, 1986***

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

#### ***The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013***

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

#### ***The Occupational Safety, Health and Working Conditions Code, 2020 (the “Occupational Conditions Code”)***

The Occupational Conditions Code 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 Occupational Conditions Code proposes to provide for, among other things, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.

#### ***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and 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 Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.

#### ***Other labour law legislations***

The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- i. Child Labour (Prohibition and Regulation) Act, 1986
- ii. Transgender Persons (Protection of Rights) Act, 2019
- iii. Equal Remuneration Act, 1976
- iv. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- v. The Code on Wages, 2019\*
- vi. The Code on Social Security, 2020\*\*
- vii. Various state shops and establishments legislations

*\*The GoI enacted ‘The Code on Wages, 2019’ which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(2)(s), 67(2)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

*\*\*The GoI enacted ‘The Code on Social Security, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate 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 Unorganised Workers’ Social Security Act, 2008.*

## **INTELLECTUAL PROPERTY LEGISLATIONS:**

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- i. The Patents Act, 1970
- ii. Indian Copyright Act, 1957
- iii. The Trademarks Act, 1999

### ***The Patents Act, 1970 (“Patents Act”)***

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- patent protection period of 20 years from the date of filing the patent application;
- recognition of product patents in respect of food, medicine and drugs;
- import of patented products will not be considered as an infringement; and
- under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

### ***The Copyright Act, 1957***

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### ***The Trade Marks Act, 1999 (the “Trade Marks Act”)***

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

## **OTHER LAWS**

### ***Municipality Laws***

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### ***Police Laws***

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

### ***Approvals from Local Authorities***

Setting up of a Factory or Manufacturing/Housing unit/Establishments 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 from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.



### ***The Indian Contract Act, 1872***

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***Transfer of Property Act, 1882***

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

### ***Registration Act, 1908***

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

### ***The Negotiable Instruments Act, 1881(NI Act)***

In India, the laws governing monetary instruments such as cheques are contained in the NI Act, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid.

### ***Bureau of Indian Standards Act, 2016 (the "BIS Act")***

Bureau of Indian Standards Act, 2016 provides for the establishment of the Bureau of Indian Standards ("BIS") for the development of the activities, inter alia, standardization, conformity assessment and quality assurance of goods, articles, processes, systems and services, and formatters connected therewith and incidental thereto. Functions of the BIS include, inter alia, (a) recognizing as an Indian standard, with the prior approval of the Central Government, the mark of any international body or institution at par with the standard mark, for such goods, articles, process, system or service in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as maybe prescribed to represent a particular Indian standard; (c) providing training services in relation to inter alia, quality management, standards, conformity assessment; (d) publishing Indian standards; promotion of safety in connection with any goods, article, process, system or service; and (e) any such other functions as may be necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stakeholders.

### ***FEMA Regulations***

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") & Foreign Exchange Management (Non-debt Instruments) Rules, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### ***The Arbitration & Conciliation Act, 1996***

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### ***The Code of Criminal Procedure Code, 1973***

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1<sup>st</sup> April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### ***The Code of Civil Procedure, 1908***

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

## HISTORY AND CORPORATE STRUCTURE

### Brief history of our Company:

Our Company was incorporated as “Macfos Private Limited” on September 26, 2017 vide certificate of incorporation bearing CIN U29309PN2017PTC172718 under the provisions of the Companies Act, 2013 issue by Central Registration Centre, Registrar of Companies. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on December 28, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Macfos Private Limited” to “Macfos Limited” vide a fresh certificate of incorporation dated January 06, 2023 issued by the Registrar of Companies, Pune bearing CIN U29309PN2017PLC172718.

Binod Prasad, Nileshkumar Purshottam Chavhan, Atul Maruti Dumbre and Jayesh Jain were the initial subscribers to the Memorandum of Association of our Company. As on the date of this Draft Red Herring Prospectus, Binod Prasad, Nileshkumar Purshottam Chavhan and Atul Maruti Dumbre are the Promoters of the Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 84, 75, 107, 119 and 171 respectively of this Draft Red Herring Prospectus.

### Address of the Registered Office:-

<b>Registered Office</b>	S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India
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### Changes in Registered Office of the Company since Incorporation:

Except as stated below, there has not been any change in our Registered Office since inception of the Company till the date of the Draft Red Herring Prospectus.

Effective Date	From	To	Reason for Change
March 05, 2019	H No 1386, Varir Ali Netaji Road, Otur, Tal-Junnar, Dist-Pune, Maharashtra, 412409	S. No. 78/1, Sumant Building, Dynamic Logistics Trade Park, Dighi, Bhosari Alandi Road, Pune – 411-015, Maharashtra, India	To improve the operational efficiency

### Main Objects of Memorandum of Association:

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

1. To carry on the business of manufacturing, buying, selling, reselling, storing, developing, promoting, marketing, supplying, trading, importing, exporting and dealing in hobby, Robotics, engineering and R & D products in India or elsewhere.
2. To carry on the business of 3D printing Services, Prototyping Services & Assembly (Mechanical and Electronics) and Assembly of Lithium based batteries.

### Amendments to the Memorandum of Association:

Except as stated below, there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Amendments
October 20, 2022	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 5.00 Lakhs divided into 50,000 Equity Shares of ₹ 10/- each to ₹ 900.00 Lakhs divided into 90,00,000 Equity Shares of ₹ 10/- each.
December 28, 2022	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently, name of the Company has been changed from “Macfos Private Limited” to “Macfos Limited” vide a Fresh Certificate of Incorporation dated January 06, 2023 bearing CIN U29309PN2017PLC172718 was issued by the Registrar of Companies, Pune, Maharashtra.
December 28, 2022	EGM	Alteration in the object clause of Memorandum of Association of the Company, by inserting new sub clause 2 after Sub clause 1 of clause III(A) of the Memorandum of Association.

		2. To carry on the business of 3D printing Services, Prototyping Services & Assembly (Mechanical and Electronics) and Assembly of Lithium based batteries.
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**Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements
2017	Incorporation of our Company
2018-19 & 2019-20	Acquisition of business (including assets and liabilities) of MACFOS Partnership Firm.
2020-21	Crossed Turnover of Rs. 25 Crore
2021	Launched customized products in the segment of FDM 3d printing, non metal laser cutting and custom Li-ion battery pack
2021-22	Crossed Turnover of Rs. 50 Crore
2022	Launched customized products in the segment of metal laser cutting, SLA 3d printing and PCB manufacturing service
2023	Conversion of the Company from Private Limited to Public Limited

**Other details about our Company:**

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled *"Our Business"*, *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* and *"Basis for Offer Price"* on pages 84, 171 and 68 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled *"Our Management"* and *"Capital Structure"* beginning on page 107 and 56 of the Draft Red Herring Prospectus respectively.

**Changes in activities of our Company during the last five (5) Years:**

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

**Our Holding Company:**

As on the date of the Draft Red Herring Prospectus, our Company is not a subsidiary of any company.

**Our Subsidiary Company:**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary Company.

**Joint Ventures:**

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Ventures.

**Strategic Partners:**

Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

**Financial Partners**

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Red Herring Prospectus, our Company does not have any financial partner.

**Time and Cost Overruns in Setting up Projects:**

There have been no instances of time and cost overruns in setting up of our projects in the past.

**Capacity/ Facility Creation, Location of Plants:**

For details pertaining to capacity / facility creation, location of plant refers section *"Business Overview"* on page 84 of this Draft Red Herring Prospectus.

**Details of launch of key products, entry in new geographies or exit from existing markets:**

For details pertaining to launch of key products services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” on page 84 of this Draft Red Herring Prospectus.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

**Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc.:**

Except for the acquisition of business along with the assets and liabilities of the partnership firm, M/s Macfos, pursuant to MOU dated September 27, 2018, our Company has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Prospectus. Our Company has acquired the assets and liabilities of the said partnership firm during the F.Y. 2018-19 and F.Y. 2019-20.

**Collaboration**

Our Company has not entered into any Collaboration as on the date of this Draft Red Herring Prospectus.

**Lock-Out and Strikes**

There have been no material instances of strikes or lock-outs at any time in our Company.

**Injunction or Restraining Orders**

There are no injunctions/restraining orders that have been passed against the Company.

**Shareholders Agreements:**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, 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 dealings in the securities of the Company.

**Other Material Agreements:**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

## OUR MANAGEMENT

### Board of Directors\*:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Atul Maruti Dumbre</b>  <b>Designation:</b> Chairman &amp; Managing Director  <b>Age:</b> 35 years  <b>Date of Birth:</b> May 07, 1987  <b>Address:</b> B-608, Destination Ostia, Alandi Road, Moshi, Pune, Maharashtra – 412105  <b>Experience:</b> 12 years  <b>Occupation:</b> Business  <b>Qualification:</b> Master of Technology (Energy Studies)  <b>Current Term:</b> For a period of 3 years, w.e.f. January 11, 2023; not liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 07938802</p>	NIL
<p><b>Binod Prasad</b>  <b>Designation:</b> Whole-time Director &amp; CFO  <b>Age:</b> 37 years  <b>Date of Birth:</b> May 05, 1985  <b>Address:</b> B 502, Rajveer Galaxy, SR No 3, Samarth Nagar, Dighi, Dhanori Pune, Maharashtra – 411015  <b>Experience:</b> 12 years  <b>Occupation:</b> Business  <b>Qualification:</b> Bachelor of Engineering (Mechanical)  <b>Current Term:</b> For a period of 3 years, w.e.f. January 11, 2023; liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 07938828</p>	NIL
<p><b>Nileshkumar Purshottam Chavhan</b>  <b>Designation:</b> Whole Time Director  <b>Age:</b> 34 years  <b>Date of Birth:</b> April 15, 1988  <b>Address:</b> Survey No 03, B-601, Polite Panorama, Gaikwad Nagar, Alandi Road, Dighi, Pune, Maharashtra - 411015.  <b>Experience:</b> 10 years  <b>Occupation:</b> Business  <b>Qualification:</b> Master of Engineering (Mechanical)  <b>Current Term:</b> For a period of 3 years, w.e.f. January 11, 2023; liable to retire by rotation  <b>Period of Directorship:</b> Since incorporation  <b>DIN:</b> 07936897</p>	NIL
<p><b>Ankit Rathi</b>  <b>Designation:</b> Independent Director  <b>Age:</b> 30 years  <b>Date of Birth:</b> November 03, 1992  <b>Address:</b> 608-Balaji Heights, Inderlok Phase II, Bhyandar East, Thane, 401105, Maharashtra, India.  <b>Experience:</b> 8 years  <b>Occupation:</b> Professional  <b>Qualification:</b> Chartered Accountant  <b>Current Term:</b> For a period of 3 years, w.e.f. January 11, 2023</p>	NIL

<b>Period of Directorship:</b> w.e.f. January 11, 2023	
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<b>DIN:</b> 08456577	
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*\*In order to comply with the provisions of Corporate Governance as prescribed under the Companies Act, 2013, our Company will appoint an Independent Director and a Non Executive Director, prior to filing of RHP with ROC.*

#### **Brief Profile of Directors:**

- 1. Atul Maruti Dumbre**, aged 35 years, is the Promoter, Chairman and Managing Director of our Company. He was originally appointed on the board on September 26, 2017. Further he was re-designated as Chairman and Managing Director of the Company w.e.f. January 11, 2023. He has completed his Masters of Technology in energy studies from the school of energy studies, University of Pune, Maharashtra in 2014. He has a total work experience of around 12 years out of which he holds 10 years' experience in the electric components industry. He has been entrusted with the responsibilities of handling supply chain management, customer relations management and digital marketing of the Company.
- 2. Binod Prasad**, aged 37 years, is the Promoter, Whole Time Director and CFO of our Company. He was originally appointed on the board on September 26, 2017. Further he was re-designated as Whole Time Director of the Company w.e.f. January 11, 2023. He is also the Chief Financial Officer of the Company. He has completed his Bachelor of Engineering in Mechanical in 2010 from University of Poona, Pune, Maharashtra, India. He has a total work experience of around 12 years out of which he holds 10 years' experience in the electric components industry. He currently oversees and controls the Accounts & Finance, Compliance and Warehouse operations of the Company.
- 3. Nileshkumar Purshottam Chavhan**, aged 34 years, is the Promoter and Whole Time Director of our Company. He was originally appointed on the board on September 26, 2017. Further he was re-designated as Whole Time Director of the Company w.e.f. January 11, 2023. He has completed his Master of Engineering in Mechanical in 2012 from Indian Institute of Science, Bangalore. He has a rich experience of 10 years in the electric components industry. He looks after the Business development and Sales and marketing operations of the Company along with the other functions such as Human Resource & Administration.
- 4. Ankit Rathi**, aged 30 years, is an Independent director of our Company. He has been appointed on the board with effect from January 11, 2023 for a term of 3 years vide Extra Ordinary general meeting dated January 11, 2023. He is a qualified member of the Institute of Chartered Accountants of India. He holds a post qualification work experience of around 8 years. He is currently engaged as partner in a CA practicing firm, A D V & Associates, Mumbai.

#### **Confirmations:**

As on the date of this Draft Red Herring Prospectus:

- a) Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on our board of any listed company whose shares have been or were suspended from being traded on the BSE or NSE during their term of directorship in such company.
- b) None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- c) 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.
- d) None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

#### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

#### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

#### **Details of Borrowing Powers of Directors:**

Pursuant to a Special Resolution passed at an Extra-ordinary General Meeting of our Company held on December 28, 2022 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of

the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained/ to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100.00 crores (Rupees One Hundred Crores Only).

#### Compensation of our Managing Director and Whole-time Director:

The compensation payable to our Managing Director and **Whole-time Director** will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force).

#### Terms of Appointment of our Managing Director & Whole Time Director

Particulars	Atul Maruti Dumbre	Binod Prasad	Nileshkumar Purshottam Chavhan
Appointment/Change in Designation	Originally Appointed as Director w.e.f. September 26, 2017; designated as “Chairman & Managing Director” w.e.f. January 11, 2023	Originally Appointed as Director w.e.f. September 26, 2017; designated as “Whole Time Director” w.e.f. January 11, 2023	Originally Appointed as Director w.e.f. September 26, 2017; designated as “Whole Time Director” w.e.f. January 11, 2023
Current Designation	Chairman & Managing Director	Whole Time Director & CFO	Whole Time Director
Terms of Appointment	3 Years	3 Years	3 Years

#### The following compensation has been approved for Managing Director & Whole Time Director

Particulars	Atul Maruti Dumbre	Binod Prasad	Nileshkumar Purshottam Chavhan
Salary	Upto Rs. 5,00,000 per month (inclusive of all perquisites, allowances and benefits)	Upto Rs. 5,00,000 per month (inclusive of all perquisites, allowances and benefits)	Upto Rs. 5,00,000 per month (inclusive of all perquisites, allowances and benefits)

#### Payments or benefits to Directors:

#### The remuneration paid to our Directors in Fiscal 2022 is as follows:

Name of Director	Remuneration paid in F.Y. 2021-22 (Rs. In Lakhs)
Atul Maruti Dumbre	18.00
Binod Prasad	18.00
Nileshkumar Purshottam Chavhan	18.00

#### Bonus or Profit Sharing Plan for our Directors:

We have no bonus or profit sharing plan for our Directors.

#### Sitting Fees:

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-Time Director), not exceeding ₹ 1.00 Lakh to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated January 12, 2023 or payment of an amount not exceeding ₹ 1.00 Lakh as approved by the Board to all Independent Directors/Non-executive Directors for attending each such meeting of the Board or Committee thereof.

#### Shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Atul Maruti Dumbre	22,08,850	25.00
2.	Binod Prasad	22,08,850	25.00



Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
3.	Nileshkumar Purshottam Chavhan	22,08,850	25.00
	<b>Total</b>	<b>66,26,550</b>	<b>75.00</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus

We do not have Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

## INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **"Our Management"** beginning on page 107 of this Draft Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **"Statement of Financial Indebtedness"** on page 164 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **"Our Management"** or the section titled **"Financial information of the Company –Note Y-Related Party Disclosure"** beginning on page 107 and 152 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### **Interest in the property of Our Company:**

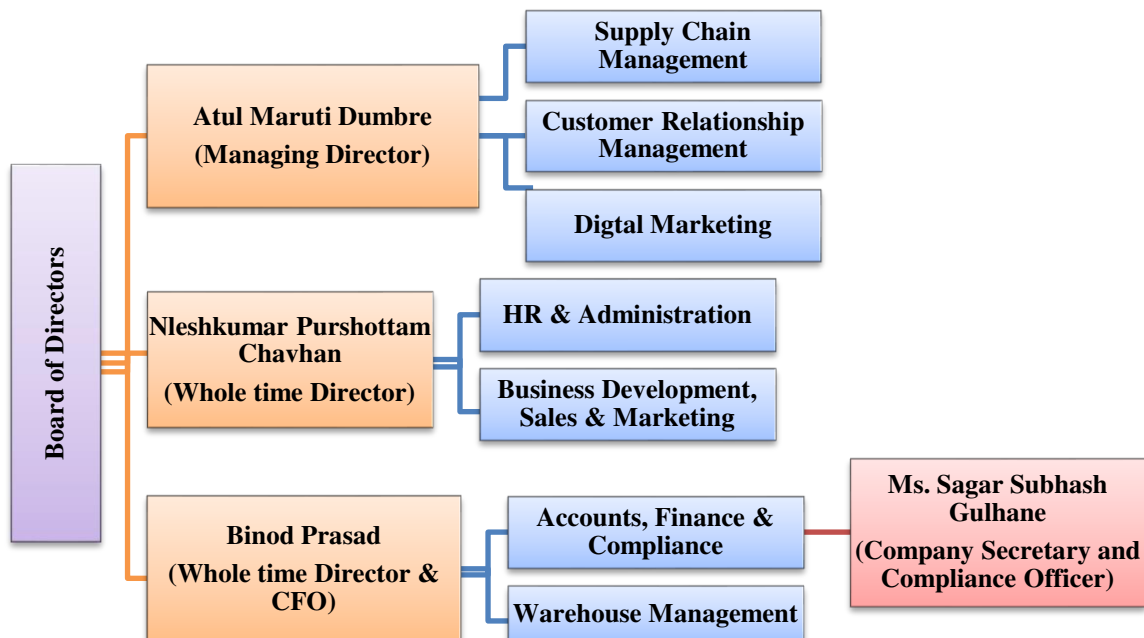
Our Directors do not have any interest in any property acquired/ rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of Draft Red Herring Prospectus.

### **Changes in Board of Directors in last 3 Years**

Sr. No.	Name of Director	Designation (at the time of appointment/ Change in designation/ Cessation)	Date of Appointment/ Change in designation/ Cessation	Reasons for Change
1.	Atul Maruti Dumbre	Re-designation as Chairman & Managing Director	January 11, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
2.	Binod Prasad	Re-designation as Whole Time Director	January 11, 2023	
3.	Nileshkumar Purshottam Chavhan	Re-designation as Whole Time Director	January 11, 2023	
4.	Jayesh Jain	Resignation as Director	December 03, 2022	
5.	Ankit Rathi	Appointment as an Independent Director	January 11, 2023	

## **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure:-



## COMPLIANCE WITH CORPORATE GOVERNANCE

As per the applicable provisions of the Companies Act, 2013, upon listing, we are required to follow the corporate governance norms such as appointment of one third of the Board as Independent Directors and constitution of certain committees, which will be applicable to our Company immediately upon the listing of our Company's Equity Shares on BSE SME. Thus, the requirements pertaining to (a) Appointment of one-third of the Board as Independent Directors and (b) constitution of the committees such as the Audit Committee, Nomination and Remuneration Committees, Stakeholders Relationship Committee will be complied before filing of Red Herring Prospectus with ROC, Pune and BSE Limited.

As on date of this DRHP, our Company has constituted the following committee:

**Corporate Social Responsibility Committee** - Our Company has reconstituted the Corporate Social Responsibility Committee as per the applicable provisions of the Section 135 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 vide Resolution dated January 12, 2023. The Corporate Social Responsibility Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Atul Maruti Dumbre	Chairman	Chairman & Managing Director
Binod Prasad	Member	Whole Time Director and CFO
Ankit Rathi	Member	Independent Director

## **KEY MANAGERIAL PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification*	Age (Years)	Date of joining	Compensation paid for F.Y. ended 2021-2022 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Atul Maruti Dumbre</b> <b>Designation:</b> Chairman and Managing Director <b>Educational Qualification:</b> Master of Technology <b>Term of office:</b> For a period of 3 years, w.e.f. January 11, 2023; not liable to retire by rotation	35	September 26, 2017	18.00	12	Nil
<b>Binod Prasad</b> <b>Designation:</b> Whole Time Director & CFO <b>Educational Qualification:</b> Bachelor of Engineering <b>Term of office:</b> For a period of 3 years, w.e.f. January 11, 2023; liable to retire by rotation	37	September 26, 2017	18.00	12	Nil

<b>Nileshkumar Purshottam Chavhan</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification:</b> Master of Engineering <b>Term of office:</b> For a period of 3 years, w.e.f. January 11, 2023; liable to retire by rotation	34	September 26, 2017	18.00	10	Nil
<b>Sagar Subhash Gulhane</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification - Company Secretary</b>	30	January 07, 2023	-	0.5	Jayant Infratech Limited

*\*Due to inaccessibility of various ROC forms on MCA portal from January 07, 2023 to January 22, 2023, our Company is unable to file various forms with Registrar of Companies for appointment of Company Secretary, change in designation of Directors and appointment of Independent Director.*

#### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

**Atul Maruti Dumbre** - Please refer to section “**Brief Profile of our Directors**” beginning on page 108 of this Draft Red Herring Prospectus for details.

**Binod Prasad** - Please refer to section “**Brief Profile of our Directors**” beginning on page 108 of this Draft Red Herring Prospectus for details.

**Nileshkumar Purshottam Chavhan** - Please refer to section “**Brief Profile of our Directors**” beginning on page 108 of this Draft Red Herring Prospectus for details.

**Sagar Subhash Gulhane** is the Company Secretary and Compliance officer of our Company. He is a qualified Company Secretary from Institute of Company Secretaries of India. He has 6 months of post qualification experience in the field of secretarial matters. He looks after the overall corporate governance and secretarial matters of our Company.

#### **We confirm that:**

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purshottam Chavhan are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2022.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:-

Sr. No.	Name of the KMP's	No. of Shares held
1	Atul Maruti Dumbre	22,08,850
2	Binod Prasad	22,08,850
3	Nileshkumar Purshottam Chavhan	22,08,850
	<b>Total</b>	<b>66,26,550</b>

- Presently, we do not have ESOP/ ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our company belongs.

#### **Nature of any family relationship between our Directors and Key Managerial Personnel (KMP):**

The Directors and KMPs of the Company are not related to each other within the meaning of Section 2 (77) of the Companies Act, 2013.

#### **Payment of benefits to officers of Our Company (non-salary related):**

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name of Director	Designation (at the time of appointment/ Change in designation/ Cessation) and period	Date appointment/ Change designation/ Cessation in	Reasons
1.	Atul Maruti Dumbre	Change in Designation as Chairman & Managing Director for a period of 3 years	January 11, 2023	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance.
2.	Binod Prasad	Appointment as Chief Financial Officer of the Company	January 07, 2023	
3.	Binod Prasad	Change in Designation as Whole-Time Director for a period of 3 years	January 11, 2023	
4.	Nileshkumar Purshottam Chavhan	Change in Designation as Whole-Time Director for a period of 3 years	January 11, 2023	
5.	Sagar Subhash Gulhane	Appointment of Company Secretary	January 07, 2023	

**Interest of Our Key Managerial Persons:**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "*Financial information of the Company – Note Y - Related Party Disclosures*" beginning on page 152 of this Draft Red Herring Prospectus.

**Interest in the property of our Company:**

Our KMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC.

**Details of Service Contracts of the Key Managerial Personnel:**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Loans given/ availed by Directors/ Key Managerial Personnel of Our Company:**

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "*Note Y – Related Party Disclosure*" page 152 of this Draft Red Herring Prospectus.

**ESOP/ ESPS Scheme to Employees:**

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## OUR PROMOTERS & PROMOTER GROUP

### OUR PROMOTERS:

The Promoters of our Company are Atul Maruti Dumbre, Binod Prasad & Nileshkumar Purshottam Chavhan

As on date of this Draft Red Herring Prospectus, the Promoters collectively holds 66,26,550 Equity shares of our Company, representing 75% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure*", on page 56 of this Draft Red Herring Prospectus.

*Brief Profile of our Promoters is as under:*

	<b>Atul Maruti Dumbre- Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	Master of Technology (Energy Studies)
	<b>Age</b>	35 years
	<b>Date of Birth</b>	May 07, 1987
	<b>Address</b>	B-608, Destination Ostia, Alandi Road, Moshi, Pune, Maharashtra - 412105
	<b>Experience</b>	12 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AWJPD2898N
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Offer)</b>	22,08,850 Equity Shares aggregating to 25.00% of Pre Offer Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> NIL <b>Partnership Firm:</b> M/s Macfos <b>HUF's:</b> NIL <b>Proprietorship Firm:</b> NIL
	<b>Binod Prasad- Whole Time Director &amp; CFO</b>	
	<b>Qualification</b>	Bachelor of Engineering (Mechanical)
	<b>Age</b>	37 Years
	<b>Date of Birth</b>	May 05, 1985
	<b>Address</b>	B 502, Rajveer Galaxy, SR No 3, Samarth Nagar, Dighi, Dhanori Pune, Maharashtra – 411015
	<b>Experience</b>	12 years
	<b>Occupation</b>	Business
	<b>PAN</b>	BIEPP0193E
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Offer)</b>	22,08,850 Equity Shares aggregating to 25.00% of Pre Offer Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> NIL <b>Partnership Firm:</b> M/s Macfos <b>HUF's:</b> NIL <b>Proprietorship Firm:</b> NIL
	<b>Nileshkumar Purshottam Chavhan- Whole Time Director</b>	
	<b>Qualification</b>	Master of Engineering (Mechanical)
	<b>Age</b>	34 years
	<b>Date of Birth</b>	April 15, 1988
	<b>Address</b>	Survey No 03, B-601, Polite Panorama, Gaikwad Nagar, Alandi Road, Dighi, Pune, Maharashtra - 411015.
	<b>Experience</b>	10 years
	<b>Occupation</b>	Business
	<b>PAN</b>	AORPC7433E
	<b>No. of Equity Shares &amp; % of Shareholding (Pre Offer)</b>	22,08,850 Equity Shares aggregating to 25.00% of Pre Offer Paid up Share Capital
	<b>Other Ventures</b>	<b>Directorships in other Companies:</b> NIL <b>Partnership Firm:</b> M/s Macfos <b>HUF's:</b> NIL <b>Proprietorship Firm:</b> NIL

### Confirmations/Declarations:

In relation to our Promoters, Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purshottam Chavhan, our Company confirms that the PAN, bank account numbers, passport numbers, Aadhaar card number and driving license number shall be submitted to BSE SME at the time of filing of this Draft 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 Draft Red Herring Prospectus.

**Interest of our Promoters:**

*i. Interest in promotion and shareholding of Our Company:*

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and/or their relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purshottam Chavhan collectively hold 66,26,550 Equity Shares in our Company i.e. 75% of the pre-offer paid up Equity Share Capital. Our Promoters may also be deemed to be interested to the extent of the remuneration, perquisites, allowances as per the terms of their appointment and reimbursement of expenses payable to him. For details, please refer to **Note Y – “Related Party Transactions”** beginning on page 152 of this Draft Red Herring Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see **“Capital Structure”** on page 56 of this Draft Red Herring Prospectus

*ii. Interest in the property of Our Company:*

Our Promoters do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of Draft Red Herring Prospectus. For further details of property please refer to Chapter titled **“Our Business”** beginning on page 84 of this Draft Red Herring Prospectus.

*iii. Interest in transactions for acquisition of land, construction of building and supply of machinery*

None of our promoters or directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

*iv. Other Interests in our Company*

For transactions in respect of loans and other monetary transactions entered in past please refer **‘Note Y’ on “Related Party Transactions” on page 152 forming part of “Financial Information of the Company” of this Draft Red Herring Prospectus.** Further, our promoters may be interested to the extent of personal guarantees given by him in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** and **“Financial Information of Our Company”** on page 164 and 119 respectively of this Draft Red Herring Prospectus.

**Payment or Benefits to our Promoters and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and Promoter Group, please refer to the paragraph **“Compensation of our Managing Director”** in the chapter titled **“Our Management”** beginning on page 107 also refer **Note-Y on “Related Party Transactions”** on page 152 forming part of **“Financial Information of the Company”** and Paragraph on **“Interest of Promoters”** in chapter titled **“Our Promoters and Promoter Group”** on page 114 of this Draft Red Herring Prospectus.

**Companies/Firms with which our Promoters has disassociated in the last (3) three years:**

Our promoters has not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoters:**

Save and except as disclosed in this section titled **“Our Promoters & Promoter Group”** beginning on page 114 of this Draft Red Herring Prospectus, there are no other ventures, in which our Promoters have any business interests/ other interests.

**Litigation details pertaining to our Promoters:**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “**Outstanding Litigations and Material Developments**” beginning on page 180 of this Draft Red Herring Prospectus.

**Experience of Promoters in the line of business:**

Our Promoters, Atul Maruti Dumbre, Binod Prasad and Nileshkumar Purshottam Chavhan have an experience of around 12 years, 12 years and 10 years respectively in the business of electronic components. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

**Related Party Transactions:**

For the transactions with our Promoter Group, please refer to section titled “**Note Y- Restated Statement of Related Party Transactions**” on page 152 of this Draft Red Herring Prospectus.

**OUR PROMOTER GROUP:**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

**1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship with Promoter	Binod Prasad	Atul Maruti Dumbre	Nileshkumar Purshottam Chavhan
Father	Murahu Prasad	Maruti Rakhmaji Dumbre	Purushottam Uddhao Chavhan
Mother	Dhramsheeli Devi	Mangal Maruti Dumbre	Shalini Purushottam Chavhan
Spouse	Laxmi Kumari	Suvidha Atul Dumbre	Manali Anil Pawar
Brother	Sunil Kumar	NA	NA
Sister	Sheela Devi	Amruta Avinash Dere	Snehal Abhishek Wankhede
Son	Aarav Kumar	NA	Akshit Nilesh Chavhan
Daughter	Na	Anandi Atul Dumbre, Nandini Atul Dumbre	Advita Nilesh Chavhan
Spouse’s Father	Late Sipahi Prasad	Vitthal Karbhari Waykar	Anil Rangaraoji Pawar
Spouse’s Mother	Munni Devi	Sugandha Vitthal Waykar	Jyoti Anil Pawar
Spouse’s Brother	NA	Arnav Vitthal Waykar	Abhijit Anil Pawar
Spouse’s Sister	NA	Sameeksha Vitthal Waykar	NA

**2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

Sr. No.	Nature of Relationship	Entities
1.	Any Body Corporate (other than Subsidiary & Associate) in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	NIL
2.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	NIL
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	M/s Macfos (Partnership Firm)

**3. Other persons included in Promoter Group:**

Below person shall also forms part of Promoter Group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018:-

- Jayesh Jain
- Sakshi Jain



## **DIVIDEND POLICY**

Under the Companies Act, 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. The Shareholders of our Company have the right to decrease, and not to increase the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the six months period ended September 30, 2022 and last three financial years and for the period between March 31, 2022 to the date of the filing of this Draft Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## SECTION VI – FINANCIAL INFORMATION OF THE COMPANY

### RESTATED FINANCIAL INFORMATION

#### INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL INFORMATION

To,

The Board of Directors,  
Macfos Limited  
Sumant Building,  
Dynamic Logistics Trade Park,  
Survey No. 78/1, Dighi,  
Bhosari Alandi Road,  
Pune - 411015,  
Maharashtra

Dear Sirs,

1. We have examined the attached Restated Financial Statements of Macfos Limited, comprising the Restated Statement of Assets and Liabilities as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period/ years ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 11<sup>th</sup> January, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus/ Prospectus (“Draft Red Herring Prospectus/Prospectus”) prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) 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 Draft Red Herring Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, **M/s Kishor Gujar & Associates** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and holds the peer review certificate dated **18<sup>th</sup> May, 2022** valid till **31<sup>st</sup> May, 2025**. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 02<sup>nd</sup> December, 2022 in connection with the proposed SME IPO of the Company;
  - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period/ year ended 30<sup>th</sup> September 2022, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 which has been approved by the Board of Directors. The financial statements of the Company for the year/ period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 has been audited by us.
  6. For the purpose of our examination, we have relied on:
    - a) Auditors' reports issued by us dated 11<sup>th</sup> January, 2023 on the financial statements of the Company as at and for the year/ period ended 30<sup>th</sup> September 2022, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 as referred in Paragraph 5 above;
  7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
    - a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial years/period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
    - b) in accordance with the Act, ICDR Regulations and the Guidance Note.
2. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors on 11<sup>th</sup> January, 2023 for the years/period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

Annexure V - Notes to the Restated Summary Financial Information;

- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
- b) Restated Statement of Long Term Borrowings as appearing in Note B to this report;
- c) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(A) to this report;
- d) Statement of terms & conditions of unsecured loans as appearing in Note B ( B) to this report;
- e) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
- f) Restated Statement of Short term borrowings as appearing in Note D to this report;
- g) Restated Statement of Trade Payables as appearing in Note E to this report;
- h) Restated Statement of Other Current Liabilities as appearing in Note F to this report;
- i) Restated Statement of Short Term Provisions as appearing in Note G to this report;
- j) Restated Statement of Long Term Provisions as appearing in Note G to this report
- k) Restated Statement of Fixed Assets as appearing in Note H to this report;
- l) Restated Statement of Non-Current Assets as appearing in Note I to this report
- m) Restated Statement of Trade Receivables as appearing in Note J to this report;
- n) Restated Statement of Cash and Cash Equivalents as appearing in Note K to this report;
- o) Restated Statement of Inventories as appearing in Note L to this report;
- p) Restated Statement of Short-term Loans and Advances as restated as appearing in Note M to this report;
- q) Restated Statement of Other Current Assets as appearing in Note N to this report;
- r) Restated Statement of Revenue from Operations as appearing in Note O to this report;
- s) Restated Statement of Other Income as appearing in Note P to this report;
- t) Restated Statement of Cost of Material Consumed as appearing in Note Q to this report;
- u) Restated Statement of Purchase of Stock in Trade as appearing in Note R to this report;
- v) Restated Statement of Change in Inventories as appearing in Note S to this report;
- w) Restated Statement of Employee Benefit Expenses as appearing in Note T to this report;
- x) Restated Statement of Finance Cost as appearing in Note U to this report;
- y) Restated Statement of Depreciation & Amortization as appearing in Note V to this report;
- z) Restated Statement of Other Expenses as appearing in Note W to this report;
- aa) Restated Statement of Contingent Liabilities as appearing in Note X to this report;

- bb) Restated Statement of Related Party Transactions as appearing in Note Y to this report;
  - cc) Restated Statement of Tax Shelter as appearing in Note Z to this report;
  - dd) Capitalisation Statement as appearing in Note ZA to this report;
  - ee) Restated Statement of Mandatory Accounting Ratios as appearing in Note ZB to this report;
  - ff) Restated Statement of Other Disclosures as per Schedule-III as appearing in Note ZC to this report;
  - gg) Restated Statement of Other Disclosures as appearing in Note ZD to this report;
8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
  9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  11. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
  12. In our opinion, the above financial information contained in Annexure I to Annexure V of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For KISHOR GUJAR & ASSOCIATES**

**Chartered Accountants**

**Firm Registration No. - 116747W**

**Sd/-**

**CA Sangita V Kumbhar (Partner)**

**Membership No.: -156238**

Place:- Pimpri, Pune:- 411 018

Date.: 11<sup>th</sup> January, 2023

UDIN :23156238BGWICR8783

**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

PARTICULARS	NOTES	As at the Year/Period ended			
		30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>A) EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
(a) Share Capital	<b>A</b>	1.01	1.01	1.01	1.00
(b) Reserves & Surplus	<b>A</b>	1,206.76	910.91	309.64	51.55
(c) Share Application Money		-	-	-	-
<b>Total</b>		<b>1,207.78</b>	<b>911.93</b>	<b>310.66</b>	<b>52.55</b>
<b>2. Non-Current Liabilities</b>					
(a) Long Term Borrowings	<b>B</b>	433.71	297.08	33.87	96.75
(b) Deferred Tax Liabilities (Net)	<b>C</b>	-	-	-	-
(c) Other Long Term Liabilities		-	-	-	-
(d) Long Term Provisions	<b>G</b>	21.11	15.08	10.96	2.73
<b>Total</b>		<b>454.82</b>	<b>312.16</b>	<b>44.83</b>	<b>99.48</b>
<b>3. Current Liabilities</b>					
(a) Short Term Borrowings	<b>D</b>	504.29	306.19	316.27	336.37
(b) Trade Payables	<b>E</b>				
Due to Micro and small enterprises		29.73	100.52	29.80	-
Due to Others		101.93	146.81	143.63	100.67
(c) Other Current Liabilities	<b>F</b>	69.64	43.80	13.43	10.40
(d) Short Term Provisions	<b>G G</b>	230.55	225.79	83.15	25.14
<b>Total</b>		<b>936.15</b>	<b>823.11</b>	<b>586.27</b>	<b>472.59</b>
<b>Total Equity and Liabilities</b>		<b>2,598.74</b>	<b>2,047.20</b>	<b>941.75</b>	<b>624.62</b>
<b>B) ASSETS</b>					
<b>1. Non-Current Assets</b>					
(a) Property, Plant and Equipment and Intangible Assets	<b>H</b>				
i. Property, Plant and Equipment		495.91	77.48	69.16	98.63
ii Intangible Assets		5.18	7.07	4.24	7.75
iii Capital Work in progress					
iv.Intangible Assets under development		-	-	-	-
(b) Non-Current Investment		-	-	-	-
(c) Deferred Tax Assets (Net)	<b>C</b>	20.54	19.44	14.86	6.55
(d) Long Term Loans and Advances		-	-	-	-
(e) Other Non-Current Assets	<b>I</b>	34.89	34.67	21.48	19.58
		<b>556.51</b>	<b>138.67</b>	<b>109.75</b>	<b>132.51</b>
<b>2. Current Assets</b>					
(a) Current Investment			-	-	-
(b) Trade Receivables	<b>J</b>	161.55	173.23	86.98	6.79
(c) Cash and Cash equivalents	<b>K</b>	71.31	145.64	63.92	78.91
(d) Inventories	<b>L</b>	1,585.11	1,184.88	529.40	310.39
(e) Short-Term Loans and Advances	<b>M</b>	202.79	385.81	147.63	93.56
(f) Other Current Assets	<b>N</b>	21.47	18.98	4.08	2.46
		<b>2,042.23</b>	<b>1,908.53</b>	<b>832.00</b>	<b>492.11</b>
<b>Total</b>		<b>2,598.74</b>	<b>2,047.20</b>	<b>941.75</b>	<b>624.62</b>

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

(Rs. in Lakhs)

PARTICULARS		Note	For the year/period ended on			
			30-09-2022	31-03-2022	31-03-2021	31-03-2020
1	<b>Revenue From Operations</b>	<b>O</b>	3,578.12	5,551.47	2,711.92	1,621.81
2	<b>Other Income</b>	<b>P</b>	27.28	35.60	21.84	0.35
3	<b>Total Revenue (1+2)</b>		3,605.40	5,587.07	2,733.76	1,622.16
4	<b>Expenses</b>					
(a)	Cost of Material Consumed	<b>Q</b>	11.42	26.06	21.11	19.22
(b)	Purchase of Stock in trade	<b>R</b>	2,935.28	4,327.44	2,037.32	1,124.36
(c)	Change of Inventories of Work in progress and finished goods	<b>S</b>	(400.23)	(655.48)	(219.01)	(98.56)
(d)	Employee Benefit Expenses	<b>T</b>	208.66	292.89	187.73	127.04
(e)	Finance Costs	<b>U</b>	50.08	80.05	52.33	49.62
(f)	Depreciation and Amortisation Expenses	<b>V</b>	20.33	38.75	43.64	43.00
(g)	Other Expenses	<b>W</b>	381.25	672.53	398.77	315.87
5	<b>Total Expenses 4(a) to 4(g)</b>		3,206.78	4,782.23	2,521.89	1,580.54
6	<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items &amp; Tax (3-5)</b>		398.63	804.84	211.87	41.62
7	Exceptional item			-	-	-
8	<b>Profit/(Loss) Before Extraordinary items &amp; Tax (6-7)</b>		398.63	804.84	211.87	41.62
9	Prior Period Expenses					
10	Extraordinary items					
11	<b>Profit/(Loss) Before Tax (8-9-10)</b>		398.63	804.84	211.87	41.62
12	<b>Tax Expense:</b>					
(a)	Current Tax		103.87	208.15	61.88	15.20
(b)	Deferred Tax		(1.09)	(4.58)	(8.31)	(6.55)
(c)	MAT Credit entitlements					
(d)	Prior period expenses					
(e)	Excess/short provision written back/off					
	<b>Total</b>		102.78	203.57	53.57	8.65
13	<b>Profit/(Loss) for the Year</b>		<b>295.85</b>	<b>601.27</b>	<b>158.31</b>	<b>32.97</b>

**ANNEXURE III**  
**RESTATED CASH FLOW STATEMENT**

(Rs. in Lakhs)

PARTICULARS		For the period/ year ended on			
		30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>A) Cash Flow From Operating Activities :</b>					
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>		398.63	804.84	211.87	41.62
Adjustment for :					
Depreciation and amortization Expenses		20.33	38.75	43.64	43.00
Finance Cost		50.08	80.05	52.33	49.62
Interest Income		(2.12)	(4.10)	(1.05)	(0.29)
Income Tax Adjustments				0.92	0.03
Prior Period adjustments					(2.18)
Opening Provision for Gratuity and Leave encashment					(1.86)
<b>Operating profit before working capital changes</b>		<b>466.91</b>	<b>919.54</b>	<b>307.71</b>	<b>129.94</b>
<b>Changes in Working Capital</b>					
(Increase)/Decrease in Trade Receivables		11.68	(86.25)	(80.19)	13.42
(Increase)/Decrease in Inventory		(400.23)	(655.48)	(219.01)	(98.56)
(Increase)/Decrease in Short Term Loans & Advances		158.21	(177.64)	(16.06)	(17.01)
(Increase)/Decrease in Other Current & Non-Current Assets		(2.74)	(28.14)	(3.58)	(3.45)
Increase/(Decrease) in Trade Payables		(115.67)	73.91	72.75	24.31
Increase/(Decrease) in Other Current Liabilities		25.84	30.37	3.02	9.18
Increase/(Decrease) in Short Term Provisions, etc		17.70	0.63	21.20	8.35
<b>Cash generated from operations</b>		<b>161.70</b>	<b>76.94</b>	<b>85.84</b>	<b>66.19</b>
Less:- Income Taxes paid		85.98	122.57	55.78	18.35
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>75.72</b>	<b>(45.63)</b>	<b>30.07</b>	<b>47.84</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets including of CWIP		(436.84)	(49.83)	(10.61)	(59.08)
Investment made/Sold during the year		-	-	-	-
Interest Income		2.12	4.10	1.05	0.29
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(434.72)</b>	<b>(45.73)</b>	<b>(9.56)</b>	<b>(58.79)</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital		-	-	99.80	-
Increase/(Decrease) in Short Term Borrowings		198.10	(10.08)	(20.10)	271.94
Increase/(Decrease) in Long Term Borrowings		136.63	263.21	(62.88)	(158.03)
Finance Cost		(50.08)	(80.05)	(52.33)	(49.62)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>284.66</b>	<b>173.08</b>	<b>(35.52)</b>	<b>64.29</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>(74.34)</b>	<b>81.73</b>	<b>(15.01)</b>	<b>53.33</b>
Cash equivalents at the beginning of the year		145.64	63.92	78.91	25.58
<b>Cash equivalents at the end of the year</b>		<b>71.31</b>	<b>145.64</b>	<b>63.92</b>	<b>78.91</b>

Notes:-

		30-09-2022	31-03-2022	31-03-2021	31-03-2020
1.	<b>Component of Cash and Cash equivalents</b>				
	Cash on hand	0.08	0.45	0.04	0.09
	Balance With banks	11.23	85.18	3.88	78.82
	Fixed Deposits	60.00	60.00	60.00	-
	<b>Total</b>	<b>71.31</b>	<b>145.64</b>	<b>63.92</b>	<b>78.91</b>

- Cash flows are reported using the **indirect method**, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.
- The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.

**ANNEXURE – IV**  
**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION**

**COMPANY OVERVIEW**

**Macfos Limited.**(The“**Company**”) was incorporated as a private limited Company on September 26, 2017 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra. Thereafter, the Company was converted from private limited to public limited vide fresh certificate of incorporation dated 06<sup>th</sup> January, 2023 issued by the Registrar of Companies, Mumbai, Maharashtra. The Company’s registered office is situated at Sumant Building, Dynamic Logistics Trade Park, Survey No. 78/1, Dighi, Bhosari Alandi Road, Pune - 411015, Maharashtra. The company is primarily involved in selling of a broad range of electronic components which finds application in basic and advanced engineering products & projects.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 , the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the financial year/ period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 (hereinafter collectively referred to as “**Restated Financial Information**”) have been extracted by the management from the audited financial statements for the period/ year ended September 30, 2022, March 31, 2022, 2021, and 2020, approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. 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 operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**B) USE OF ESTIMATES**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

**C) ACCOUNTING CONVENTION**

The group follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

**1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of GST, trade discounts and returns, as applicable.

**Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend Income**

Dividend Income is recognized on receipt basis.



## **2. Property, Plant & Equipment**

- a) Tangible assets are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the Fixed Assets are ready for use, as intended by the management;
- c) Subsequent expenditures relating to fixed assets are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) Depreciation on Tangible Assets in case of company is provided in such a manner so that the cost of asset (Net of realizable value) will be amortized over their estimated remaining useful life on WDV basis as per the useful life prescribed under Schedule II to the Companies Act 2013.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

## **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **4. INVENTORIES**

Inventories are valued at the lower of cost and net realizable value. Costs are ascertained on FIFO basis. The Value of Closing Stock as on 30<sup>th</sup> September, 2022 computed and provided as per computerized inventory management system maintained by the management.

Net realizable value is estimated at selling price in the ordinary course of business less estimated cost of completion and selling expenses.

## **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

In the restated financial statements, The Company has made provision for payment of Gratuity to its employees, based on the actuarial valuation report obtained from actuarial valuer.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses

associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## 8. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## 9. INCOME TAX

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

**Impact of Tax Rate Changes:** The Management has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Management has re-measured its Deferred Tax Asset basis the rate prescribed in the said section.

## 10. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 11. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## 13. SEGMENT REPORTING

Company is operating under a single segment

## 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

(Rs. In Lakhs)				
Details of Gratuity Expenses	30-09-2022	2021-22	2020-21	2019-20
<b>Profit and loss account for the period</b>				
Current service cost	2.00	3.04	2.22	0.76

Interest on obligation	0.41	0.52	0.13	0.08
Expected return on plan assets	-	-	-	-
Net actuarial loss/(gain)	0.41	0.12	3.09	(0.11)
Recognised Past Service Cost-Vested	-	-	-	-
Loss (gain) on curtailments	-	-	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>2.82</b>	<b>3.69</b>	<b>5.43</b>	<b>0.73</b>
prior year charge	-	-	-	-
<b>Total Charge to P&amp;L</b>	<b>2.82</b>	<b>3.69</b>	<b>5.43</b>	<b>0.73</b>
<b>Reconciliation of defined benefit obligation</b>				
Opening Defined Benefit Obligation	10.91	7.21	1.78	1.05
Transfer in/(out) obligation	-	-	-	-
Current service cost	2.00	3.04	2.22	0.76
Interest cost	0.41	0.52	0.13	0.08
Actuarial loss (gain)	0.41	0.12	3.09	(0.11)
Past service cost	-	-	-	-
Benefits paid	-	-	-	-
prior year charge	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>13.73</b>	<b>10.91</b>	<b>7.21</b>	<b>1.77</b>
<b>Table of experience adjustments</b>				
Defined Benefit Obligation	0.78	0.12	3.09	(0.11)
Plan Assets	-	-	-	-
<b>Surplus/(Deficit)</b>				
<b>Reconciliation of plan assets</b>				
Opening value of plan assets	-	-	-	-
Transfer in/(out) plan assets	-	-	-	-
Expenses deducted from the fund	-	-	-	-
Expected return	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
<b>Closing value of plan assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Details of Gratuity Expenses</b>	<b>30-09-22</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	10.91	7.21	1.78	1.05
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	2.82	3.69	5.43	0.73
Benefits paid by the Company	-	-	-	-
Contributions to plan assets	-	-	-	-
<b>Closing provision in books of accounts</b>	<b>13.73</b>	<b>10.91</b>	<b>7.21</b>	<b>1.78</b>
<b>Bifurcation of liability</b>				
Current Liability	0.44	0.29	0.21	0.04
Non-Current Liability	13.29	10.62	7.00	1.73
<b>Net Liability</b>	<b>13.73</b>	<b>10.91</b>	<b>7.21</b>	<b>1.77</b>
<b>Principle actuarial assumptions</b>				
Discount Rate	7.50%	7.25%	7.25%	7.25%
Expected Return on Plan Assets	-	-	-	-
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Withdrawal Rates	5.00% p.a	5.00% p.a	5.00% p.a	5.00% p.a
Expected Return on Plan Assets	Not Applicable	Not Applicable	Not Applicable	Not Applicable
<b>Details of Leave Encashment Expenses</b>	<b>30-09-2022</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Profit and loss account for the period</b>				
Current service cost	2.10	2.09	1.99	0.64
Interest on obligation	0.18	0.31	0.08	0.06
Expected return on plan assets	-	-	-	-
Net actuarial loss/(gain)	2.55	(1.85)	1.11	(0.43)
Expense to be recognized in P&L	4.83	0.55	3.18	0.27
<b>Reconciliation of defined benefit obligation</b>				
Opening Defined Benefit Obligation	4.80	4.25	1.07	0.80
Transfer in/(out) obligation	-	-	-	-
Current service cost	2.10	2.09	1.99	0.64

Interest cost	0.18	0.31	0.08	0.06
Actuarial loss (gain)	2.55	(1.85)	1.11	(0.43)
Past service cost	-	-	-	-
Benefits paid	(1.23)	-	-	-
prior year charge	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>8.41</b>	<b>4.80</b>	<b>4.25</b>	<b>1.07</b>
<b>Details of Leave Encashment Expenses</b>	<b>30-09-22</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	4.80	4.25	1.07	0.80
Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	4.83	0.55	3.18	0.27
Benefits paid by the Company	(1.22)	-	-	-
Contributions to plan assets	-	-	-	-
<b>Closing provision in books of accounts</b>	<b>8.41</b>	<b>4.80</b>	<b>4.25</b>	<b>1.07</b>
<b>Bifurcation of liability</b>				
Current Liability	0.60	0.33	0.29	0.07
Non-Current Liability	7.81	4.47	3.96	0.99
<b>Net Liability</b>	<b>8.41</b>	<b>4.80</b>	<b>4.25</b>	<b>1.07</b>
<b>Principle actuarial assumptions</b>				
Discount Rate	7.50%	7.25%	7.25%	7.25%
Expected Return on Plan Assets	-	-	-	-
Salary Growth Rate	5.0%	5.0%	5.0%	5.0%
Withdrawal Rates	5.0%	5.0%	5.0%	5.0%
Expected Return on Plan Assets	-	-	-	-

## II. NOTES TO RESTATED SUMMARY STATEMENTS:

The financial statements for the year ended on 31 March 2020, 2021 and 2022 and period ended on 30<sup>th</sup>September, 2022 respectively are prepared as per Schedule III of the Companies Act, 2013: -

### 1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is usually reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources. However, there has not been any such liability/event, which qualifies as contingent liability in the restated period.

### 2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

In the absence of information regarding outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act, 2013.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note Y of the enclosed financial statements.

4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

Particulars	(Rs.in lacs)			
	For F.Y./period			
	Apr.'22 to Sept.'22	2021-22	2020-21	2019-20
(DTA)/DTL on timing Difference in Depreciation as per Companies Act and Income Tax Act	0.84	(3.51)	(6.14)	(6.30)
(DTA) / DTL on timing Differences in Gratuity & Leave Encashment	(1.93)	(1.07)	(2.17)	(0.25)
<b>Net Deferred Tax Asset/(Liability)</b>	<b>(1.09)</b>	<b>(4.58)</b>	<b>(8.31)</b>	<b>(6.55)</b>

### 5. Directors' Remuneration:

(Rs. in lacs)

Particulars				
	30-09-2022	2021-22	2020-21	2019-20
Directors' Remuneration (including sitting fees)	48.00	72.00	48.00	45.17
<b>Total</b>	<b>48.00</b>	<b>72.00</b>	<b>48.00</b>	<b>45.17</b>

**6. Auditors' Remuneration:**

(Rs. in lacs)

Particulars	For the Year Ended			
	30-09-2022	2021-22	2020-21	2019-20
a. As Auditors				
Statutory & Tax Audit Fees	1.50	2.45	2.00	2.00
<b>Total</b>	<b>1.50</b>	<b>2.45</b>	<b>2.00</b>	<b>2.00</b>

**7. Earnings per Share:**

(Amt. Rs. in Lacs, except EPS)

Particulars	For the Year Ended			
	30-09-2022	2021-22	2020-21	2019-20
A. Total Number of equity shares outstanding at the end of the year	10,144	10,144	10,144	10,000
B. Weighted average number of equity shares outstanding during the year	88,35,424	88,35,424	87,19,278	87,10,000
C. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	295.85	601.27	158.31	32.97
D. Basic and Diluted earnings per share (Rs.)	3.35 (Not Annualised)	6.81	1.82	0.38

The Company has allotted 88,25,280 bonus equity shares in ratio of 870:1 to its shareholders on November 25, 2022. Thus, the total 88,35,424 equity shares has been considered while deriving EPS of the Company retrospectively from F.Y. 2019-20 onwards.

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

**11. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**12. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**13. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

**14. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements**

There has been no audit qualifications/observations in Statutory Auditor's Report for F.Y. 2019-20, 2020-21, 2021-22 and six months period ended Sept.'22, which requires adjustments in restated financial statements.

## 15. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements is presented here below:

### RECONCILIATION OF RESTATED PROFIT:

(Rs. In Lakhs)				
Adjustments for	Apr.'22 to Sep.'22	2021-22	2020-21	2019-20
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	291.81	590.40	164.23	30.38
<b>Adjustments for:</b>				
Provision for gratuity	(2.83)	(3.69)	(5.43)	(0.72)
Reversal of provision for gratuity	9.38	13.99	-	-
Provision for Leave Encashment	(4.83)	(0.55)	(3.18)	(0.27)
Prior Period Adjustment	-	0.07	0.31	1.80
Short/excess Provision of deferred tax	2.31	1.08	2.24	0.18
(Short)/excess Provision Of tax	0.01	(0.02)	0.15	1.59
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>295.85</b>	<b>601.27</b>	<b>158.31</b>	<b>32.97</b>

1. The provision for gratuity and leave encashment has been made in all years/period covered for restatement as per Actuarial Valuation Reports and provided in the respective year/period in which such liability has arisen as per AS 15: Employee Benefits

2. Due to changes in leave encashment and gratuity provision the deferred tax component on the same has also undergone change.

3. Provision for Taxation has been adjusted for Items like Short/Excess Provision for Earlier Years.

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below: -

### RECONCILIATION OF EQUITY AND RESERVES:

(Rs. In Lakhs)				
Particulars	30-09-2022	2021-22	2020-21	2019-20
<b>Equity and Reserves as per Audited Balance sheet</b>	1200.23	908.42	318.02	53.99
Adjustments for:				
Difference Due to Change in P&L	4.04	10.88	(5.92)	2.59
Provision for gratuity (opening)	3.51	(7.37)	(1.44)	(1.05)
Provision for leave encashment (opening)	-	-	-	(0.80)
Prior period Adjustments (Refer Note-1)	-	-	-	(2.18)
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>1207.78</b>	<b>911.93</b>	<b>310.66</b>	<b>52.55</b>

#### Note:

1. The effect of Prior Period Adjustment has been given in respective financial year as below:

(Rs. In Lakhs)				
Particulars	30-09-2022	2021-22	2020-21	2019-20
Commission Expenses	-	-	-	1.41
Telephone charges	-	-	-	0.03
Server Rent	-	0.07	-	0.55
Security	-	-	-	0.05
Manpower Supply	-	-	-	0.13
Courier Service	-	-	0.38	-

<b>Total</b>	-	<b>0.07</b>	<b>0.38</b>	<b>2.18</b>
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Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

2. Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**For Kishor Gujar & Associates**  
**Chartered Accountants**  
**Firm Registration no: 116747W**

**Sd/-**

**CA Sangita V Kumbhar (Partner)**  
**Membership No: 156238**  
**Place:Pimpri, Pune:- 411018**  
**Date:11th January, 2023**

**UDIN:23156238BGWICR8783**

**NOTE – A**  
**RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**  
(Amt. in Rs. Lakhs, Except Share Data)

Particulars	As At			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
Equity shares of Rs.10 each	5,000	5,000	5,000	5,000
Equity Share Capital	5	5	5	5
<b>Issued, Subscribed and Paid up Share Capital</b>				
Equity Shares of Rs. 10 each fully paid up	10,144	10,144	10,144	10,000
Share Capital (in Rs.)	1.01	1.01	1.01	1.00
<b>Total</b>	<b>1.01</b>	<b>1.01</b>	<b>1.01</b>	<b>1.00</b>
<b>Reserves and Surplus</b>				
<b>Securities Premium</b>				
Balance at the beginning of Financial Year	99.78	99.78	-	-
During the year	-	-	99.78	-
Balance as at the end of Financial Year (A)	<b>99.78</b>	<b>99.78</b>	<b>99.78</b>	-
<b>General Reserve</b>				
Balance at the beginning of Financial Year	3.04	3.04	3.04	-
During the year	-	-	-	3.04
Balance as at the end of Financial Year (B)	<b>3.04</b>	<b>3.04</b>	<b>3.04</b>	<b>3.04</b>
<b>Surplus in Profit and Loss account</b>				
Balance as per the last financial statements	808.09	206.82	48.51	23.19
Less: Provision for gratuity (opening)	-	-	-	(1.05)
Less: Provision for leave encashment (opening)	-	-	-	(0.80)
Less: Prior period (opening)	-	-	-	(2.18)
Profit for the Year	295.85	601.27	158.31	32.97
Less: Transfer to General Reserve	-	-	-	3.04
Less: Provision for Income Tax	-	-	-	0.57
Less: Prior Period Tax	-	-	-	-
Balance as at the end of Financial Year C	<b>1,103.94</b>	<b>808.09</b>	<b>206.82</b>	<b>48.51</b>
<b>Balance as at the end of Financial Year (A+B+C)</b>	<b>1,206.76</b>	<b>910.91</b>	<b>309.64</b>	<b>51.55</b>

1. Terms/rights attached to equity shares:

- i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.



<b>4. The reconciliation of the number of Equity shares outstanding as at: -</b>				
<b>Particulars</b>	<b>As at</b>			
	<b>30-09-2022</b>	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
Number of shares at the beginning	10,144	10,144	10,000	-
Add: Bonus Share Issued	-	-	-	-
Add: Fresh Issue of shares	-	-	144	10,000
Number of shares at the end	10,144	10,144	10,144	10,000
<b>5. The detail of shareholders holding more than 5% of Shares: -</b>				
<b>Name of Shareholders</b>	<b>As at (No. of Shares)</b>			
	<b>30-09-2022</b>	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
Mr. Nileshkumar Chavhan	2,536	2,536	2,536	2,500
Mr. Atul Dumbre	2,536	2,536	2,536	2,500
Mr. Binod Prasad	2,536	2,536	2,536	2,500
<b>6. Promoters' Shareholding</b>				
<b>Shares held by promoters at the end of the year 30.09.2022</b>				
<b>Promoter's Name</b>	<b>No. of Shares</b>	<b>% of total Shares</b>	<b>% change during the year</b>	
Mr. Nileshkumar Chavhan	2,536	25%	0%	
Mr. Atul Dumbre	2,536	25%	0%	
Mr. Binod Prasad	2,536	25%	0%	
<b>Shares held by promoters at the end of the year 31.03.2022</b>				
<b>Promoter's Name</b>	<b>No. of Shares</b>	<b>% of total Shares</b>	<b>% change during the year</b>	
Mr. Nileshkumar Chavhan	2,536	25%	0%	
Mr. Atul Dumbre	2,536	25%	0%	
Mr. Binod Prasad	2,536	25%	0%	
<b>Shares held by promoters at the end of the year 31.03.2021</b>				
<b>Promoter's Name</b>	<b>No. of Shares</b>	<b>% of total Shares</b>	<b>% change during the year</b>	
Mr. Nileshkumar Chavhan	2,536	25%	0%	
Mr. Atul Dumbre	2,536	25%	0%	
Mr. Binod Prasad	2,536	25%	0%	
<b>Shares held by promoters at the end of the year 31.03.2020</b>				
<b>Promoter's Name</b>	<b>No. of Shares</b>	<b>% of total Shares</b>	<b>% change during the year</b>	
Mr. Nileshkumar Chavhan	2,500	25%	0%	
Mr. Atul Dumbre	2,500	25%	0%	
Mr. Binod Prasad	2,500	25%	0%	

**Note -**

As informed by the Management of the Company, Mr. Jayesh Jain ceased to be the Director of the Company w.e.f. 03rd December, 2022 and therefore, he is no more promoter of the Company w.e.f. 03rd December, 2022.

**NOTE – B**  
**RESTATED STATEMENT OF LONG TERM BORROWINGS**

(Rs. in Lakhs)

Particulars	As At			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Secured Term loans from banks</b>				
<b>(a) Term loans</b>				
-ICICI (ECLGS) Loan	33.66	-	-	-
-ICICI Term Loan	201.39	-	-	-
-IndusInd Bank Emergency Credit	0.87	1.31	2.13	-
-IndusInd Bank Emergency Credit 2	-	6.58	10.92	-
-Kotak Loan -Emergency credit	0.74	1.16	1.95	-
<b>Sub-total (a)</b>	<b>236.65</b>	<b>9.05</b>	<b>15.00</b>	<b>-</b>
<b>( b) Unsecured Term loans from banks</b>				
-Unsecured Term loans from Bank	126.56	183.81	11.82	40.95
-Unsecured Term loans from NBFC	70.50	104.22	7.06	55.80
<b>Sub-total (b)</b>	<b>197.06</b>	<b>288.03</b>	<b>18.87</b>	<b>96.75</b>
<b>Total (a+b)</b>	<b>433.71</b>	<b>297.08</b>	<b>33.87</b>	<b>96.75</b>

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B)

**NOTE B(A) RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

*(Rs. In Lakhs)*

Name of Lender	Purpose	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on 30.09.2022 as per Books	Outstanding amount as on 31.03.2022 as per Books	Outstanding amount as on 31.03.2021 as per Books	Outstanding amount as on 31.03.2020 as per Books
ICICI ECLGS Loan-167355000011	Business	71.00	I-ECLGR(7.70%) i.e. 9.25%	Current Asset, Immovable Fixed Asset(Refer Note 1), Movable fixed Asset, Fixed Deposit.	EMI : Rs 2,57,584 Term : 34 Months	60.58	-	-	-
ICICI Term Loan-603090021690	Expansion Cum modernization	650 (Rs. 250 Lacs for Land & Rs. 400 Lacs for Construction)	8.40%		EMI : Variable monthly installment starting from Rs 5.37 Lakhs in Aug 22 to Rs 3.50 Lakhs in July'28 Term : 73 Months	243.06	-	-	-
IndusInd Bank Add CA Loan-706000111714	Business	2.58	9.25%	Guarantee from National Credit Guarantee Trustee Company Ltd (NCGTC) as per GECL Scheme	EMI : Rs 8,234 Term : 48 Months	1.73	2.13	2.58	-
IndusInd Bank Loan-570000011288	Business	13.00	9.25%	First & exclusive charge on hypothecation of entire Fixed asset & All personal Guarantee available for existing exposure	EMI : Rs 36100 Term : 48 Months	-	10.92	13.00	-
<b>Total Long Term Borrowings</b>						<b>305.36</b>	<b>13.05</b>	<b>15.58</b>	<b>-</b>
IndusInd Bank ( C C )	Working Capital	296.00	9.45%	First and exclusive charge on hypothecation of entire fixed assets and current assets. Refer Note 1 & 2	-	-	130.73	238.25	138.51
ICICI Bank CC & OD	Working Capital	410.00	8.00%		-	251.59	-	-	-
<b>Total Short Term Borrowings</b>						<b>251.59</b>	<b>130.73</b>	<b>238.25</b>	<b>138.51</b>
<b>Grand Total</b>						<b>556.95</b>	<b>143.78</b>	<b>253.83</b>	<b>138.51</b>

Note 1

Collateral Security:-

Equitable Mortgage over the following properties:

- a. Plot No A- 34 Phase I Mahalunge, Chakan MIDC, Chakan, Khed, Pune, Maharashtra, India - 411002
- b. Plot No. 199, CS 876, mouza Sakkardara. Nagpur, Maharashtra, India -440001.
- c. Plat No. 206, AM Block Amrapali Village, Ghaziabad, Uttarpradesh, India - 201012
- d. Flat No. 206, Ramchandra Heights, Borhadewadi, Pune, Maharashtra, India- 411002

ICICI TERM LOAN: SECURITY

PERSONAL GUARANTEE OF:-

Mangal Maruti Dumbare

Rajni Rani Jain

Jayesh Jain

Nileshkumar Purushottam Chavhan

Atul Maruti Dumbre

Binod Prasad

Purshottam Uddhao Chavan

Note 2

INDUSIND BANK LOAN: SECURITY

PERSONAL GUARANTEE OF:-

Mangal Maruti Dumbare

Anil Jain

Jayesh Jain

Nileshkumar Purushottam Chavhan

Atul Maruti Dumbre

Binod Prasad

Purshottam Uddhao Chavan

**NOTE B(B) STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

(Amt. Rs. in Lacs)

Name of Lender	Purpose	Sanctioned Rs Lakhs	Rate of Interest	Re-Payment Schedule	Outstanding amount as on 30.09.2022	Outstanding amount as on 31.03.2022	Outstanding amount as on 31.03.2021	Outstanding amount as on 31.03.2020
Aditya Birla Capital	Business	50.00	16.00%	EMI : Rs 1,75,786 Term : 36 Months	40.85	47.80	-	-
Axis Bank	Business	50.00	1 year MCLR(7.35%) +8.15% i.e. 15.5%	EMI : Rs 1,74,553 Term : 36 Months	33.09	40.65	-	-
Bajaj Finserv – 1	Business	15.41	18.25%	EMI : Rs 23,435 Term : 72 Months	-	-	-	15.41
Bajaj Finserv- 2	Business	28.81	16.00%	EMI : Rs 1,01,287 Term : 36 Months	22.84	26.90	-	-
Capital First	Business	20.40	18.07%	EMI : Rs 72,728 Term : 36 Months	-	-	4.80	11.94
Clix Capital	Business	20.16	19.00%	EMI : Rs 73,891 Term : 36 Months	-	-	6.15	13.11
Clix Capital	Business	2.73	14.00%	EMI : Rs 9,320 Term : 36 Months	1.94	2.35	2.73	
Deutsche Bank – 1	Business	25.00	17.50%	EMI : Rs 90,813 Term : 36 Months	-	-	6.69	15.56
Deutsche Bank - 2	Business	50.00	16.00%	EMI : Rs 1,75,785 Term : 36 Months	33.30	40.80	-	-
Fed Bank	Business	30.00	16.00%	EMI : Rs 1,05,471 Term : 36 Months	20.00	24.51	-	-
Fullerton Finance	Business	11.43	19.00%	EMI : Rs 41,885 Term : 37 Months	-	-	3.49	7.43
Hdfc Bank -1	Business	25.00	16.50%	EMI : Rs 88,511 Term : 36 Months	-	-	6.66	15.39
HDFC Bank-2	Business	50.00	15.00%	EMI : Rs 1,39,154 Term : 48 Months	38.35	43.59	-	-
ICICI Bank Ltd	Business	25.00	16.00%	EMI : Rs 87,970 Term : 36 Months	16.68	20.44	-	-
IndusInd Bank – 1	Business	20.00	18.00%	EMI : Rs 72,305 Term : 36 Months		-	5.41	12.41
IndusInd Bank – 2	Business	50.00	16.00%	EMI : Rs 1,75,785 Term : 36 Months	38.40	45.51		-
Kotak Bank - 1	Business	30.00	15.50%	EMI : Rs 1,04,733	19.95	24.48	-	-

				Term : 36 Months				
Kotak Loan -2	Business	20.00	16.25%	EMI : Rs 70,561 Term : 36 Months			4.67	11.70
Kotak Loan – 3	Business	2.44	8.00%	EMI : Rs 7,647 Term : 48 Months	1.56	1.95	2.44	-
Magma	Business	26.06	17.00%	EMI : Rs 92,912 Term : 36 Months			6.98	16.08
Poonawala Fincorp Ltd. – 1	Business	3.35	14.00%	EMI : Rs 11,468 Term : 48 Months	2.56	3.05	3.31	
Poonawalla Finance- 2	Business	15.00	17.00%	EMI : Rs 53,479 Term : 36 Months			6.75	11.56
Poonawalla Finance- 3	Business	26.86	16.00%	EMI : Rs 94446 Term : 36 Months	21.30	25.08		
RBL Bank -1	Business	5.33	17.00%	EMI : Rs 17,037 Term : 36 Months	3.42	4.26	5.33	-
RBL- Bank- 2	Business	35.46	16.00%	EMI : Rs 1,00,488 Term : 48 Months	1.95	7.56	17.52	26.02
Shriram City Union	Business	17.00	19.00%	EMI : Rs 62,315 Term : 36 Months	-	0.61	7.27	12.78
SME Corner ( WDV Rate of interest)	Business	10.67	21.00%	EMI : Rs 40,188 Term : 36 Months	-	-		8.34
Standard Chartered	Business	50.00	16.00%	EMI : Rs 1,75,786 Term : 36 Months	33.33	40.85	-	-
Yes Bank-1	Business	15.00	16.75%	EMI : Rs 73,983 Term : 24 Months				4.82
Yes Bank-2	Business	50.00	15.75%	EMI : Rs 1,75,169 Term : 36 Months	33.28	40.82	-	-
					<b>362.79</b>	<b>441.23</b>	<b>90.20</b>	<b>182.57</b>
<b>FROM DIRECTORS:-</b>								
Atul Dumbre	Business		*0%	On Demand	0.32	0.32	1.03	26.81
Binod Prasad	Business		0.00%	On Demand	0.60	0.60	1.32	27.11
Jayesh Jain	Business		0.00%	On Demand	1.74	1.74	2.45	28.22
Nilesh Chavhan	Business		0.00%	On Demand	0.59	0.59	1.30	27.13
<b>FROM RELATED PARTIES:-</b>								
Anil Jain	Business		11.00%	On Demand	-	-	-	2.77
Sakshi Jain	Business		11.00%	On Demand	15.00	15.00	-	-
					18.26	18.26	6.10	112.04
<b>GRAND TOTAL</b>					<b>381.05</b>	<b>459.48</b>	<b>96.30</b>	<b>294.61</b>
<i>* Interest 12% only for FY 2019-20</i>								

<b>NOTE- C</b>				
<b>RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES</b>				
<b>(Amt. Rs. in Lacs)</b>				
<b>Particulars</b>	<b>As At</b>			
	<b>30-09-2022</b>	<b>31-03-22</b>	<b>31-03-21</b>	<b>31-03-20</b>
<b>Opening Balance (A)</b>		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Opening Balance of Deferred Tax (Asset) / Liability	(19.44)	(14.86)	(6.55)	-
<b>Closing Balances (B)</b>				
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	0.84	(3.51)	(6.14)	(6.30)
(DTA) / DTL on account of gratuity provision	(1.93)	(1.07)	(2.17)	(0.25)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>(20.54)</b>	<b>(19.44)</b>	<b>(14.86)</b>	<b>(6.55)</b>
<b>Current Year Provision (B-A)</b>	<b>(1.09)</b>	<b>(4.58)</b>	<b>(8.31)</b>	<b>(6.55)</b>

<b>NOTE - D</b>				
<b>RESTATED STATEMENT OF SHORT TERM BORROWINGS</b>				
<b>(Rs. in Lakhs)</b>				
<b>Particulars</b>	<b>As At</b>			
	<b>30-09-2022</b>	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
<b>Secured Loans repayable on demand from banks</b>				
-IndusInd Bank ( C C )650014119302	-	130.73	238.25	138.51
-ICICI Bank -03 (CC)	83.77	-	-	-
-ICICI Bank -515 (OD)	167.81	-	-	-
<b>Subtotal (A)</b>	<b>251.59</b>	<b>130.73</b>	<b>238.25</b>	<b>138.51</b>
<b>Unsecured Loans repayable on demand from related Parties</b>				
-Unsecured Term loans from Directors	3.26	3.26	6.10	109.27
-Unsecured Term loans from Related parties	15.00	15.00	-	2.77
<b>Subtotal (B)</b>	<b>18.26</b>	<b>18.26</b>	<b>6.10</b>	<b>112.04</b>
<b>Current Maturity of Long Term Debts</b>				
-Secured Term loans from Banks (Current Maturity)	70.27	5.95	3.02	-
-Unsecured Term loans from Banks (Current Maturity)	111.85	108.82	39.27	44.95
-Unsecured Term loans from NBFC (Current Maturity)	52.32	42.43	29.62	40.87
<b>Subtotal (C)</b>	<b>234.44</b>	<b>157.20</b>	<b>71.91</b>	<b>85.82</b>
<b>Total (A+B+C)</b>	<b>504.29</b>	<b>306.19</b>	<b>316.27</b>	<b>336.37</b>

Note:

The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B)

**NOTE – E**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(Rs. in Lakhs)

Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Trade Payables</b>				
<b>For Goods &amp; Services</b>				
Micro, Small and Medium Enterprises	29.73	100.52	29.80	-
Other than Micro, Small and Medium Enterprises	101.93	146.81	143.63	100.67
<b>Total</b>	<b>131.66</b>	<b>247.34</b>	<b>173.43</b>	<b>100.67</b>

**Trade Payable Ageing as at 30.09.2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	29.73	-	-	-	<b>29.73</b>
Others	101.93	-	-	-	101.93
Disputed dues- MSME					-
Disputed dues- Others					-
Sub total	<b>131.66</b>	-	-	-	<b>131.66</b>
MSME - Undue					
Others - Undue					
Total					<b>132</b>

**Trade Payable Ageing as at 31.03.2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	100.52	-	-	-	100.52
Others	146.81	-	-	-	146.81
Disputed dues- MSME					-
Disputed dues- Others					-
Sub total	<b>247.34</b>	-	-	-	<b>247.34</b>
MSME - Undue					
Others - Undue					
Total					<b>247.34</b>

**Trade Payable Ageing as at 31.03.2021**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	29.80				29.80
Others	143.63				143.63
Disputed dues- MSME					-
Disputed dues- Others					-
Sub total	<b>173.43</b>	-	-	-	<b>173.43</b>



MSME - Undue					-
Others - Undue					-
<b>Total</b>					<b>173.43</b>

#### Trade Payable Ageing as at 31.03.2020

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-				-
Others	100.67				100.67
Disputed dues- MSME					-
Disputed dues- Others					-
<b>Sub total</b>	<b>100.67</b>	-	-	-	<b>100.67</b>
MSME - Undue					
Others - Undue					
<b>Total</b>					<b>-</b>

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

NOTE – F				
RESTATED STATEMENT OF OTHER CURRENT LIABILITIES				
(Rs. in Lakhs)				
Particulars	As At			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Other Current Liabilities</b>				
<b>Other payables</b>		-		
-Credit Card	3.47	0.08	0.53	3.06
-Custom Duty Payable	19.51	5.44	-	-
-GST Payable	42.77	33.96	9.71	1.21
-TDS Payable	3.90	4.33	3.19	6.13
<b>Total</b>	<b>69.64</b>	<b>43.80</b>	<b>13.43</b>	<b>10.40</b>

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

NOTE – G G				
RESTATED STATEMENT OF SHORT TERM PROVISIONS				
(Rs. in Lakhs)				
Particulars	As At			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Provision for employee benefits</b>				
-Directors' remuneration Payable	15.75	12.28	11.99	2.20
-Employee Salary Payable	3.43	-	-	0.19
-ESIC Payable	0.28	0.17	0.12	0.20
-PF Payable	3.13	-	-	0.28
-Gratuity provision	0.44	0.29	0.21	0.04
-Leave Encashment Provision	0.60	0.33	0.29	0.07
<b>Others</b>				

-Provision for taxation	199.50	206.42	60.29	15.20
-Provisions for Expenses	7.43	6.30	10.26	6.96
<b>Total</b>	<b>230.55</b>	<b>225.79</b>	<b>83.15</b>	<b>25.14</b>

**NOTE – G**  
**RESTATED STATEMENT OF LONG TERM PROVISIONS**

**(Rs. in Lakhs)**

Particulars	As At			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
-Gratuity provision	13.29	10.61	7.00	1.74
-Leave Encashment Provision	7.81	4.47	3.96	0.99
<b>Total</b>	<b>21.11</b>	<b>15.08</b>	<b>10.96</b>	<b>2.73</b>

**NOTE-H**  
**RESTATED STATEMENT OF FIXED ASSETS**

**FY 2019-20**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2019	Additions during the year	Deletions during the year	As at 31.03.2020	Upto 01.04.2019	During the year	Deletion during the year	Total upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b><u>Tangible Asset</u></b>										
Land	-	-	-	-	-	-	-	-	-	-
Building	-	11.70	-	11.70	-	4.60	-	4.60	7.10	-
Plant and Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	-	57.40	-	57.40	-	9.70	-	9.70	47.70	-
Vehicles	0.70	-	-	0.70	0.11	0.16	-	0.27	0.44	0.60
Office equipment	0.39	50.33	-	50.72	0.15	14.79	-	14.94	35.77	0.24
Computers	0.83	13.68	-	14.52	0.32	6.58	-	6.90	7.62	0.52
<b>Total</b>	<b>1.92</b>	<b>133.11</b>	<b>-</b>	<b>135.03</b>	<b>0.57</b>	<b>35.83</b>	<b>-</b>	<b>36.41</b>	<b>98.63</b>	<b>1.35</b>
<b><u>CWIP</u></b>										74.03
<b><u>Intangible Assets</u></b>										
Product Development	15.47	-	-	15.47	4.87	4.90	-	9.77	5.70	10.60
Computer software	6.22	-	-	6.22	1.96	2.21	-	4.17	2.05	4.26
<b>Sub-total</b>	<b>21.69</b>	<b>-</b>	<b>-</b>	<b>21.69</b>	<b>6.83</b>	<b>7.11</b>	<b>-</b>	<b>13.94</b>	<b>7.75</b>	<b>14.86</b>
<b>Grand Total</b>	<b>23.62</b>	<b>133.11</b>	<b>-</b>	<b>156.73</b>	<b>7.41</b>	<b>42.94</b>	<b>-</b>	<b>50.35</b>	<b>106.38</b>	<b>90.24</b>
<i>Previous Year</i>	-	97.65		97.65	-	7.41		7.41	90.24	-

**FY 2020-21**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2020	Additions during the year	Deletions during the year	As at 31.03.2021	Upto 01.04.2020	During the year	Deletion during the year	Total upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b><u>Tangible Asset</u></b>										
Land	-	-	-	-	-	-	-	-	-	-
Building	11.70	1.63	-	13.33	4.60	3.61	-	8.20	5.12	7.10
Furniture and Fixtures	57.40	3.61	-	61.00	9.70	12.70	-	22.41	38.60	47.70
Vehicles	0.70	-	-	0.70	0.27	0.11	-	0.38	0.33	0.44
Office equipment	50.72	0.14	-	50.86	14.94	16.16	-	31.11	19.75	35.77
Computers	14.52	3.05	-	17.56	6.90	5.30	-	12.20	5.37	7.62
<b>Sub-total</b>	<b>135.03</b>	<b>8.43</b>	<b>-</b>	<b>143.46</b>	<b>36.41</b>	<b>37.89</b>	<b>-</b>	<b>74.30</b>	<b>69.16</b>	<b>98.63</b>
<b><u>(ii) Intangible Assets</u></b>										
Product Development	15.47	-	-	15.47	9.77	3.60	-	13.37	2.10	5.70
Computer software	6.22	2.18	-	8.40	4.17	2.09	-	6.26	2.14	2.05
<b>Sub-total</b>	<b>21.69</b>	<b>2.18</b>	<b>-</b>	<b>23.87</b>	<b>13.94</b>	<b>5.69</b>	<b>-</b>	<b>19.64</b>	<b>4.24</b>	<b>7.75</b>
<b>Total</b>	<b>156.73</b>	<b>10.61</b>	<b>-</b>	<b>167.33</b>	<b>50.35</b>	<b>43.58</b>	<b>-</b>	<b>93.93</b>	<b>73.40</b>	<b>106.38</b>

<i>Previous Year</i>	23.62	133.11	-	156.73	7.41	42.94	-	50.35	106.38
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**FY 2021-22**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2021	Additions during the year	Deletions during the year	As at 31.03.2022	Upto 01.04.2021	During the Period	Deletion during the period	Total upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
<b>Tangible Asset</b>										
Land	-		-	-	-			-	-	-
Building	13.33	0.20	-	13.53	8.20	2.34		10.54	2.98	5.12
Furniture and Fixtures	61.00	12.99	-	73.99	22.41	11.22		33.63	40.37	38.60
Vehicles	0.70	-	-	0.70	0.38	0.08		0.46	0.25	0.33
Office equipment	50.86	14.18	-	65.04	31.11	12.22		43.33	21.71	19.75
Computers	17.56	15.21	-	32.77	12.20	8.40		20.60	12.18	5.37
<b>Sub-total</b>	<b>143.46</b>	<b>42.58</b>	<b>-</b>	<b>186.04</b>	<b>74.30</b>	<b>34.26</b>	<b>-</b>	<b>108.56</b>	<b>77.48</b>	<b>69.16</b>
<b>(ii) Intangible Assets</b>										
Product Development	15.47	0.95		16.42	13.37	1.84		15.21	1.21	2.10
Computer software	8.40	6.30		14.70	6.26	2.58		8.84	5.86	2.14
<b>Sub-total</b>	<b>23.87</b>	<b>7.25</b>	<b>-</b>	<b>31.12</b>	<b>19.64</b>			<b>24.06</b>	<b>7.07</b>	<b>4.24</b>
<b>Total</b>	<b>167.33</b>	<b>49.83</b>	<b>-</b>	<b>217.16</b>	<b>93.93</b>	<b>34.26</b>	<b>-</b>	<b>132.61</b>	<b>84.55</b>	<b>73.40</b>
<i>Previous Year</i>	156.73	10.61	-	167.33	50.35	43.58	-	93.93	73.40	

**Apr 2022 to Sept 2022**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2022	Additions during the year	Deletions during the year	As at 30.09.2022	Upto 01.04.2022	During the Period	Deletion during the period	Total upto 30.09.2022	As at 30.09.2022	As at 31.03.2022
<b>Tangible Asset</b>										
Land	-	412.92	-	412.92				-	412.92	-
Building	13.53	3.80	-	17.33	10.54	1.19		11.73	5.60	2.98
Furniture and Fixtures	73.99	11.24	-	85.24	33.62	6.47		40.09	45.15	40.37
Vehicles	0.70	-	-	0.70	0.46	0.03		0.50	0.21	0.24
Office equipment	65.05	0.67	-	65.71	43.33	4.94		48.27	17.44	21.71
Computers	32.77	8.21	-	40.98	20.60	5.79		26.39	14.59	12.17
<b>Sub-total</b>	<b>186.04</b>	<b>436.84</b>	<b>-</b>	<b>622.88</b>	<b>108.56</b>	<b>18.41</b>	<b>-</b>	<b>126.98</b>	<b>495.91</b>	<b>77.48</b>
<b>(ii) Intangible Assets</b>										
Product Development	16.42	-		16.42	15.22	0.14	-	15.36	1.07	1.21
Computer software	14.70	-		14.70	8.84	1.75	-	10.59	4.11	5.86
<b>Sub-total</b>	<b>31.12</b>	<b>-</b>	<b>-</b>	<b>31.12</b>	<b>24.06</b>	<b>1.89</b>	<b>-</b>	<b>25.95</b>	<b>5.18</b>	<b>7.07</b>
<b>Total</b>	<b>217.17</b>	<b>436.84</b>	<b>-</b>	<b>654.01</b>	<b>132.62</b>	<b>20.30</b>	<b>-</b>	<b>152.92</b>	<b>501.08</b>	<b>84.55</b>
<i>Previous Year</i>	167.33	49.83	-	217.16	93.93	34.26	-	132.61	84.55	73.40

**NOTE – I**  
**RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Security Deposits</b>				
-Deposit for Electricity	0.79	0.57	0.57	0.57
-Deposit for Warehouse	9.95	9.95	-	-
-Security Deposit (for Office)	24.16	24.16	20.92	19.02
<b>Total</b>	<b>34.89</b>	<b>34.67</b>	<b>21.48</b>	<b>19.58</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – J**  
**RESTATED STATEMENT OF TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Trade Receivables</b>				
<b>Unsecured Considered good</b>				
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-	-	-
Dues From Directors, Related parties/Common Group Company, etc.	-	-	-	-
Others	161.55	173.23	86.98	6.79
<b>Sub Total (A)</b>	<b>161.55</b>	<b>173.23</b>	<b>86.98</b>	<b>6.79</b>
<b>Secured Considered good</b>				
Outstanding for a period not exceeding 6 months (Secured and considered Good)				
Dues From Directors, Related parties/Common Group Company, etc.		-	-	-
Others		-	-	-
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>161.55</b>	<b>173.23</b>	<b>86.98</b>	<b>6.79</b>

**Trade Receivables ageing schedule as at 30 September 2022**

Rs. In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	161.55					161.55
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						<b>161.55</b>
Undue - considered good						
Undue - considered doubtful						
Provision for doubtful debts						
<b>Total</b>						<b>161.55</b>

**Trade Receivables ageing schedule as at 31 March 2022**

Rs. In Lakhs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	173.23					173.23

Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						<b>173.23</b>
Undue - considered good						
Undue - considered doubtful						
Provision for doubtful debts						
<b>Total</b>						<b>173.23</b>

Trade Receivables ageing schedule as at 31 March 2021						Rs. In Lakhs
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	86.98					86.98
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						<b>86.98</b>
Undue - considered good						
Undue - considered doubtful						
Provision for doubtful debts						
<b>Total</b>						<b>86.98</b>

Trade Receivables ageing schedule as at 31 March 2020						Rs. In Lakhs
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	6.79					6.79
Undisputed Trade Receivables- considered doubtful						-
Disputed Trade Receivables considered good						-
Disputed Trade Receivables considered doubtful						-
Sub total						<b>6.79</b>
Undue - considered good						
Undue - considered doubtful						
Provision for doubtful debts						
<b>Total</b>						<b>6.79</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

<b>NOTE – K</b>				
<b>RESTATED STATEMENT OF CASH &amp; CASH EQUIVALENTS</b>				
<b>(Rs. in Lakhs)</b>				
Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>a. Balances with Banks in Current Accounts</b>	11.23	85.18	3.88	78.82
<b>b. Cash on Hand</b>	0.08	0.45	0.04	0.09
<b>c. Fixed Deposits</b>				
-IndusInd Bank Fixed Deposit	60.00	60.00	60.00	-
<b>Total</b>	<b>71.31</b>	<b>145.64</b>	<b>63.92</b>	<b>78.91</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

<b>NOTE – L</b>				
<b>RESTATED STATEMENT OF INVENTORIES</b>				
<b>(Rs. in Lakhs)</b>				
Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Stock of Raw Material and Stock in Trade</b>				
Stock in Trade	1,585.11	1,184.88	529.40	310.39
<b>Total</b>	<b>1,585.11</b>	<b>1,184.88</b>	<b>529.40</b>	<b>310.39</b>

<b>NOTE – M</b>								
<b>RESTATED STATEMENT OF LOANS AND ADVANCES</b>								
<b>(Rs. in Lakhs)</b>								
Particulars	As at							
	30-09-2022		31-03-2022		31-03-2021		31-03-2020	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
<b>Unsecured, Considered Good unless otherwise stated</b>								
Others								
-Advances for Expenses		7.66		-		-		-
-Advance To suppliers		106.02		271.44		81.31		78.27
-Advance Tax		85.00		110.00		50.00		12.00
-GST Credit To be Taken		2.63		0.24		11.89		1.84
-RCM GST Receivable		0.51		3.35		4.18		1.21
-TCS Receivable		-		0.05		0.13		-
-TDS Receivable		0.98		0.73		0.12		0.24
<b>Total</b>	<b>-</b>	<b>202.79</b>	<b>-</b>	<b>385.81</b>	<b>-</b>	<b>147.63</b>		<b>93.56</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**NOTE – N**  
**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
-Accrued Interest on FDR	6.23	4.35	0.72	0.17
-Prepaid Expenses	6.78	11.74	0.91	1.17
-TDS Amount Receivable From Creditors	0.44	2.84	2.33	0.96
-Loan Processing Charges under Dispute	3.57	-	-	-
-Preliminary Expenses	0.03	0.06	0.12	0.17
-Balances with Government Authorities	4.41	-	-	-
<b>Total</b>	<b>21.47</b>	<b>18.98</b>	<b>4.08</b>	<b>2.46</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – O**  
**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
(i) Sale of Products (Domestic)	3,577.26	5,533.42	2,711.22	1,618.26
(ii) Sale of Products (Export)	0.86	18.05	0.70	3.55
<b>Total</b>	<b>3,578.12</b>	<b>5,551.47</b>	<b>2,711.92</b>	<b>1,621.81</b>

**NOTE – P**  
**RESTATED STATEMENT OF OTHER INCOME**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Related and Recurring Income:</b>				
-Discount Income	-	0.01	0.40	-
-Round off	0.08	-	0.00	0.06
<b>Related and Non-Recurring Income:</b>				
-Foreign Currency Transaction gain	22.34	31.49	20.39	-
-Others	2.74			
<b>Non Related and Recurring Income:</b>				
Interest from Fixed Deposits	2.12	4.10	1.05	0.29
<b>Sub Total</b>	<b>27.28</b>	<b>35.60</b>	<b>21.84</b>	<b>0.35</b>
<b>Total</b>	<b>27.28</b>	<b>35.60</b>	<b>21.84</b>	<b>0.35</b>

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**NOTE – Q**  
**RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Opening Stock of Raw Material	-	-	-	-
Purchase of Raw Materials & Components	11.42	26.06	21.11	19.22
Less :Closing Stock of Raw Material	-	-	-	-
<b>Total</b>	<b>11.42</b>	<b>26.06</b>	<b>21.11</b>	<b>19.22</b>



**NOTE – R**  
**RESTATED STATEMENT OF PURCHASE OF STOCK IN TRADE**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
-Purchase of Goods	2,935.28	4,327.44	2,037.32	1,124.36
<b>Total</b>	<b>2,935.28</b>	<b>4,327.44</b>	<b>2,037.32</b>	<b>1,124.36</b>

**NOTE – S**  
**RESTATED STATEMENT OF CHANGE IN INVENTORIES**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Opening Balance of Raw Material, Finished Goods and Components				
(i) Finished Goods				
(ii) Work-in-Progress				
(iii) Stock-in-trade	1,184.88	529.40	310.39	211.83
<b>Total</b>	<b>1,184.88</b>	<b>529.40</b>	<b>310.39</b>	<b>211.83</b>
Less Closing Balance of Raw Material, Finished Goods and Components				
(i) Finished Goods				
(ii) Work-in-Progress				
(iii) Stock-in-trade	1,585.11	1,184.88	529.40	310.39
<b>Total</b>	<b>1,585.11</b>	<b>1,184.88</b>	<b>529.40</b>	<b>310.39</b>
<b>Increase/(Decrease) in Stock</b>	<b>(400.23)</b>	<b>(655.48)</b>	<b>(219.01)</b>	<b>(98.56)</b>

**NOTE – T**  
**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Salaries and wages				
-Directors remuneration	48.00	72.00	48.00	45.17
-Employee's Salary Expenses	141.84	197.84	121.63	75.53
Contribution to provident and other funds				
-EPF	8.56	13.17	6.96	2.71
-ESIC	1.10	1.39	1.47	1.85
-Other	0.04	0.06	-	0.02
-Gratuity Payable	2.83	3.69	5.43	0.72

-Leave Encashment Payable	4.83	0.55	3.18	0.27
Staff welfare expenses				
-Staff Welfare Expenses	1.46	4.19	1.05	0.77
<b>Total</b>	<b>208.66</b>	<b>292.89</b>	<b>187.73</b>	<b>127.04</b>

**NOTE – U**  
**RESTATED STATEMENT OF FINANCE COST**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
<b>Interest expense</b>				
-Interest on Cash Credit	10.38	16.26	12.95	3.65
-Interest on Term Loan from Bank/NBFC	34.50	47.79	26.61	38.66
-Interest on Unsecured loan from Related party	0.83	1.10	0.34	1.25
Other borrowing costs				
-Loan Processing Cost/Bank charges	4.37	14.90	12.43	6.06
<b>Total</b>	<b>50.08</b>	<b>80.05</b>	<b>52.33</b>	<b>49.62</b>

**NOTE – V**  
**RESTATED STATEMENT OF DEPRECIATION & AMORTISATION**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Depreciation on Property, Plant and Equipment	18.41	34.27	37.89	35.83
Amortization of intangible assets	1.89	4.42	5.69	7.11
-Preliminary expenses written off	0.03	0.06	0.06	0.06
<b>Total</b>	<b>20.33</b>	<b>38.75</b>	<b>43.64</b>	<b>43.00</b>

**NOTE – W**  
**RESTATED STATEMENT OF OTHER EXPENSES**

(Rs. in Lakhs)

Particulars	For the period / Year ended			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Audit Fees	1.50	2.45	2.00	2.00
Power and fuel	3.85	6.24	3.31	2.80
Rent				
-Rent	40.15	55.33	47.63	44.01
Repairs to buildings				
-Repair and Maintenance - Building	5.89	6.92	1.53	3.63
Repairs to machinery				
-Repair & Maintenance - P&M		-	-	0.31
<b>Repairs others</b>				
-Computer Maintenance	0.10	1.25	1.27	0.96
-Repair & Maintenance - Electrical	1.58	2.28	0.85	3.35
-Repair & Maintenance - Office Equipment	0.49	4.11	1.90	7.09
-Repair & Maintenance -office	0.03	1.01	0.36	1.99
<b>Insurance</b>				
-Insurance Charges	4.21	3.58	3.00	1.96
<b>Selling &amp; Distribution Expenses</b>				
-Business Promotion Expenses	0.59	1.73	0.24	0.46
<b>Other Business Administrative Expenses</b>				
-Advertisement Expenses	57.35	131.40	84.30	83.94
-Import Clearing Charges	28.20	54.41	21.21	27.38
-Import Shipping Charges	63.99	97.95	57.09	-
-Commission Expenses	14.78	43.11	28.48	18.37
-Courier charges	87.90	156.79	85.82	64.07
-Foreign Currency Transaction Loss	-	-	-	0.74
-Housekeeping Expenses	1.52	3.36	1.65	2.06
-Ineligible ITC	0.69	4.37	0.52	0.76
-Interest on TDS	0.17	0.28	0.52	0.04
-Internet Expenses	0.53	0.82	1.06	0.52

-Late Fees /Interest	0.01	0.72	1.31	0.39
-Manpower Supply Charges			-	3.67
-Office expenses	3.82	9.10	3.14	0.48
- Interest /Penalty	0.18	0.01	0.35	0.11
-Petrol Expenses	0.47	0.25	0.19	0.30
-Printing & stationery	0.62	0.44	1.25	2.07
-Professional& Consultancy Charges	6.91	11.67	4.65	12.00
-Recruitment Consultancy Charges	-	0.67	0.30	0.84
-Secretarial Charges ROC Fees	0.24	0.55	0.47	0.37
-Security Services Charges	3.75	5.38	4.95	4.59
-Server Payment	12.66	14.20	10.12	5.40
-Software Developing Fees	11.44	5.16	0.16	-
-Telephone Expenses	2.34	4.33	4.57	3.32
-Travelling / Transport Exp.	3.41	1.07	2.36	3.58
-Water Supply & Services	0.92	1.08	0.61	0.73
-Website Related Expenses	1.43	1.68	2.24	2.36
-Packing Material	18.94	31.88	16.42	9.23
-Interest on Income Tax	-	2.91	0.96	-
-Registration and Certificate Fees	0.61	2.78	1.95	-
-Profession Tax	-	0.03	-	-
- Bad debts	-	1.23	-	-
<b>Total</b>	<b>381.25</b>	<b>672.53</b>	<b>398.77</b>	<b>315.87</b>

**NOTE – X**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**  
(Amount in Lakhs Rs.)

Particulars	As at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts	-	-	-	-
Guarantees given on Behalf of the Company	-	-	-	-
Other commitments				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE – Y**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

**RELATED PARTY DISCLOSURE**

**(a) List of Related parties**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Atul Dumbre	Chairman & Managing Director
2	Binod Prasad	CFO & Whole Time Director
3	Nileshkumar Chavhan	Whole Time Director
4	Jayesh Jain	Director (ceased w.e.f. 03rd December, 2022)
5	Sakshi Jain	Wife of Mr Jayesh Jain
6	Anil Jain	Father of Mr Jayesh Jain
7	Suvidha Waykar	Wife of Mr Atul Dumbre

(b) SI No.	Transaction with related Parties :- Particulars	As at Sept.30	As at March 31,		
		2022	2022	2021	2020
	<b>Remuneration Paid to Directors</b>				
	Atul Dumbre	12.00	18.00	12.00	11.29
	Binod Prasad	12.00	18.00	12.00	11.29
	Nileshkumar Chavhan	12.00	18.00	12.00	11.29
	Jayesh Jain	12.00	18.00	12.00	11.29
	<b>Interest on Loan</b>				
	Sakshi Jain	0.83	1.10	-	-
	Anil Jain	-	-	0.34	0.42
	Atul Dumbre	-	-	-	0.83
	<b>Renting Charges</b>				
	Anil Jain	-	-	0.69	-
	Suvidha Waykar	-	-	0.59	-
	<b>Transfer of Assets/Liabilities</b>				
	Macfos -firm	-	-	0.10	12.86
	<b>Increase In Share Capital</b>				
	Atul Dumbre	-	-	24.95	-
	Binod Prasad	-	-	24.95	-
	Nileshkumar Chavhan	-	-	24.95	-
	Jayesh Jain	-	-	24.95	-
	<b>Loans Received</b>				
	Atul Dumbre	-	-	15.15	8.89
	Binod Prasad	-	-	0.15	3.71
	Nileshkumar Chavhan	-	2.14	2.51	3.53
	Jayesh Jain	-	-	7.15	5.38
	Sakshi Jain	-	15.00	-	-
	Anil Jain	-	-	-	-
	<b>Loans Repaid/ Given</b>				
	Atul Dumbre	-	0.71	40.93	13.19
	Binod Prasad	-	0.71	25.94	-
	Nileshkumar Chavhan	-	2.85	28.34	-
	Jayesh Jain	-	0.71	32.92	-
	Sakshi Jain	-	-	-	-
	Anil Jain	-	-	2.75	-
	<b>Balances at the end of year (LOAN)</b>				
	<b>Payables/ (Receivables)</b>				
	Atul Dumbre	0.32	0.32	1.03	26.81
	Binod Prasad	0.60	0.60	1.32	27.11
	Jayesh Jain	1.74	1.74	2.45	28.22
	Nilesh Chavan	0.59	0.59	1.30	27.13
	Sakshi Jain	15.00	15.00	-	-
	Anil Jain	-	-	-	2.77

**NOTE – Z**  
**RESTATED STATEMENT OF TAX SHELTER**

(Rs. In Lakhs)

Particulars	As at September 30, 2022	As at March 31,		
		2022	2021	2020
Restated profit before tax as per books (A)	398.63	804.84	211.87	41.62
Tax Rates				
Income Tax Rate (%)	22.00%	22.00%	22.00%	22.00%
Minimum Alternative Tax Rate (%)	0.00%	0.00%	0.00%	0.00%
<b>Adjustments :</b>				
<b>B)</b>				
Income Considered Separately	2.12	4.10	1.05	0.29
Disallowed	-	3.25	0.96	0.41
Disallowed Gratuity and Leave Encashment	7.66	4.24	8.62	0.99
Leave Encashment Paid	1.23	-	-	-
<b>Timing Difference (C )</b>				
Book Depreciation	20.30	38.75	43.58	42.94
Income Tax Depreciation allowed	12.65	24.04	19.17	19.52
<b>Total Timing Difference</b>	<b>7.65</b>	<b>14.71</b>	<b>24.41</b>	<b>23.42</b>
Net Adjustment D= (B+C)	11.96	18.10	32.94	24.53
Tax Expenses	97.35	208.13	62.03	16.81
Income from Capital Gains (E)	-		-	-
Income from Other Sources	2.12	4.10	1.05	0.29
Deduction under chapter VI (H)	-	-	-	-
<b>Taxable Income/(Loss) (A+D+E+G+H)</b>	<b>412.71</b>	<b>827.05</b>	<b>245.86</b>	<b>66.45</b>
Income Tax on Above	90.80	181.95	54.09	14.62
SC 10%	9.08	18.20	5.41	-
Health & ED cess 4%	4.00	8.01	2.38	0.58
<b>Tax Payable</b>	<b>103.87</b>	<b>208.15</b>	<b>61.88</b>	<b>15.20</b>
MAT on Book Profit	-	-	-	-
		Opted for 115BAA hence MAT is not applicable.		
Interest Payable	-	-	-	-
Total Provision for Tax	103.87	208.15	61.88	15.20

**NOTE – ZA**  
**CAPITALISATION STATEMENT**

(Amt. Rs. in Lacs)

Particulars	Pre Offer as at September 30, 2022	Post offer as at September 30, 2022 (as adjusted for Bonus Issue)
<b>Borrowings</b>		
Short term debt (A)	504.29	504.29
Long Term Debt (B)	433.71	433.71
<b>Total debts (C)</b>	<b>938.00</b>	<b>938.00</b>
<b>Shareholders' funds</b>		
Equity share capital	1.01	883.54
Reserve and surplus - as restated	1,206.76	324.23
<b>Total shareholders' funds</b>	<b>1,207.78</b>	<b>1,207.78</b>
<b>Long term debt / shareholders' funds (in Rs.)</b>	<b>0.36</b>	<b>0.36</b>
<b>Total debt / shareholders' funds (in Rs.)</b>	<b>0.78</b>	<b>0.78</b>

(\*) The Company is offering the Equity Shares through an offer for sale by way of initial public offering. Hence, there will be no change in the shareholders' funds on account of this Offer

\*The post offer Equity Share Capital and Reserves and Surplus has been adjusted for 88,25,280 bonus shares allotted by the Company on November 25, 2022 in the ratio of 870:1

Notes:

- Short term Debts represent which are expected to be paid/payable within 12 months and includes instalment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above excluding instalment of term loans repayable within 12 months grouped under short term borrowings
- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.09.2022

**NOTE – ZB**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Rs. in Lakhs Except Per Share Data)

Particulars	as at			
	30-09-2022	31-03-2022	31-03-2021	31-03-2020
Net Worth (A)	1,207.78	911.93	310.66	52.55
Adjusted Profit after Tax (B)	295.85	601.27	158.31	32.97
Number of Equity Share outstanding as on the End of Year ( c)	10,144	10,144	10,144	10,000
Weighted average no. of Equity shares at the time of end of the year (D)	88,35,424	88,35,424	87,19,278	87,10,000
Face Value per Share	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.) (B/D)	3.35	6.81	1.82	0.38
	<i>Not Annualised</i>			
Return on Net worth (%) (B/A)	24.50%	65.93%	50.96%	62.74%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Actual Number of Shares)	11,906.32	8,989.84	3,062.45	525.51
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Weighted Average Number of Shares)	13.67	10.32	3.56	0.60
<b>EBITDA</b>	<b>437.39</b>	<b>873.14</b>	<b>273.57</b>	<b>127.83</b>

Analytical Ratios for Sep 2022 ( Not Annualised)			
Particulars	Numerator/Denominator		30 September 2022

(a) Current Ratio	<u>Current Assets</u>	2.18
	Current Liabilities	
(b) Debt-Equity Ratio	<u>Total Debts</u>	0.78
	Equity	
(c) Debt Service Coverage Ratio	<u>Earnings available for Debt Service</u>	2.33
	Interest + Instalments	
(d) Return on Equity Ratio	<u>Profit after Tax</u>	28%
	Average Shareholder's Equity	
(e) Inventory turnover ratio	<u>Total Turnover</u>	2.58
	Average Inventories	
(f) Trade receivables turnover ratio	<u>Total Turnover</u>	21.38
	Average Account Receivable	
(g) Trade payables turnover ratio	<u>Total Purchases</u>	15.55
	Average Account Payable	
(h) Net capital turnover ratio	<u>Total Turnover</u>	3.23
	Net Working Capital	
(i) Net profit ratio	<u>Net Profit</u>	8.27%
	Total Turnover	
(j) Return on Capital employed	<u>EBIT</u>	20.71%
	Capital Employed	
(k) Return on investment	<u>Return on Investment</u>	-
	Total Investment	

**Analytical Ratios for Financial Year 2021-22 and 2020-21**

Particulars	Numerator/Denominator	31 March 2022	31 March 2021	Change in %	Reasons for more than 25% Variance
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2.32	1.42	63.38%	Working capital improved due to increase in receivables and inventory
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	0.66	1.13	-41.31%	Increase in accumulated profits improved ratio
(c) Debt Service Coverage Ratio	$\frac{\text{Earnings available for Debt Service}}{\text{Interest + Instalments}}$	3.20	0.96	232.77%	Increase in profits improved ratio
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	98%	87%	12.84%	-
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	6.48	6.46	0.28%	-
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	42.67	57.84	-26.23%	Increase in Accounts receivables
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	20.69	15.02	37.78%	Import purchases increased
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	5.11	11.04	-53.66%	Increase in NWC is higher compared to turnover
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	10.83%	5.84%	85.54%	Increase in turnover and stable fixed cost improved ratio
(j) Return on Capital employed	$\frac{\text{EBIT}}{\text{Capital Employed}}$	57.42%	38.10%	50.70%	Increase in turnover and stable fixed cost improved ratio
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	-	-	-	-



Analytical Ratios for Financial Year 2020-21 and 2019-20					
Particulars	Numerator/Denominator	31 March 2021	31 March 2020	Change in %	Reasons for more than 25% Variance
(a) Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.42	1.04	36.29%	Working capital improved due to increase in receivables and inventory
(b) Debt-Equity Ratio	$\frac{\text{Total Debts}}{\text{Equity}}$	1.13	8.24	-86.32%	Increase in accumulated profits improved ratio
(c) Debt Service Coverage Ratio	$\frac{\text{Earnings available for Debt Service}}{\text{Interest + Instalments}}$	0.96	0.95	1.26%	-
(d) Return on Equity Ratio	$\frac{\text{Profit after Tax}}{\text{Average Shareholder's Equity}}$	0.87	0.87	0.11%	-
(e) Inventory turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Inventories}}$	6.46	6.21	3.98%	-
(f) Trade receivables turnover ratio	$\frac{\text{Total Turnover}}{\text{Average Account Receivable}}$	57.84	120.15	-51.86%	Increase in Accounts receivables
(g) Trade payables turnover ratio	$\frac{\text{Total Purchases}}{\text{Average Account Payable}}$	15.02	12.92	16.26%	-
(h) Net capital turnover ratio	$\frac{\text{Total Turnover}}{\text{Net Working Capital}}$	11.04	83.08	-86.72%	Increase in Current assets
(i) Net profit ratio	$\frac{\text{Net Profit}}{\text{Total Turnover}}$	5.84%	2.03%	187.13%	Increase in turnover and stable fixed cost improved ratio
(j) Return on Capital employed	$\frac{\text{EBIT}}{\text{Capital Employed}}$	38.10%	17.54%	117.24%	Increase in turnover and stable fixed cost improved ratio
(k) Return on investment	$\frac{\text{Return on Investment}}{\text{Total Investment}}$	-	-	-	-

Note:

"1) The ratios have been computed as below:

- (a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the year
- (b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the year for diluted EPS
- (c) Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the year
- (d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the year

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income"

<b>Additional Information to The financial statements:-</b>					
<b>NOTE NO. ZC Other Disclosures as per Schedule-III of the Companies Act, 2013</b>					
<b>ZC1</b>	<b>Value of imports calculated on C.I.F basis by the company during the financial year in respect of</b>				
	<b>Particulars</b>	<b>As at 30 Sep 2022</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(a)	Raw materials/ Traded Goods	2,576.06	3,377.30	1,540.42	824.74
(b)	Plant & Machinery/Equipment	-	12.67	-	-
<b>ZC2</b>	<b>Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;</b>				
	<b>Particulars</b>	<b>As at 30 Sep 2022</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(a)	Professional and Consultation Fees	-	0.19	0.16	-
(b)	Other Matters		0.17		
(c)	Other	11.63	14.05	7.83	4.95
(d)	Advertisement	-	0.08		
	<b>Total</b>	<b>11.63</b>	<b>14.49</b>	<b>7.99</b>	<b>4.95</b>
<b>ZC3</b>	<b>Total value of all imported and Indigenous raw materials, spare parts and components consumed during the financial year and the total value of all raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;</b>				
	<b>Details of consumption of Raw Material *</b>	<b>As at 30 Sep 2022</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(i)	Imported Raw materials	-	-	-	-
(ii)	Indigenous Raw materials	11.42	26.06	21.11	19.22
(*) Note 1:	The stores and spares consumed are 100% indigenous.				
<b>ZC4</b>	<b>Earnings in foreign exchange</b>				
	<b>Particulars</b>	<b>As at 30 Sep 2022</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(a)	Export of goods calculated on FOB basis	0.86	18.05	0.70	3.55
<b>ZC5</b>	<b>Amounts remitted in foreign currency during the year on account of dividend</b>				
	<b>Particulars</b>	<b>As at 30 Sep 2022</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(a)	Amount of dividend remitted in foreign currency	Nil	Nil	Nil	Nil

**NOTE NO. ZD: Other Disclosures****ZD1 Disclosures related to Micro, Small and Medium Enterprises.**

The Company has made payments of dues to Micro, Small and Medium enterprises generally within stipulated period of 45 days as prescribed under Micro, small and Medium Enterprises Development Act.

The details relating to Micro, Small and medium enterprise disclosed as under :

SN	Particulars	As at 30 Sep 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	29.73	100.52	29.80	-
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

**ZD2 Leases**

	Particulars	As at 30 Sep 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
	Future minimum rentals payable under non-cancellable operating Lease				
	- Not later than one Year	84.44	78.85	55.33	47.63
	- Later than one Year and not later than five years	461.51	440.28	392.86	333.40
	Lease payments recognised in the Statement of profit and loss for the period, with separate amount	40.15	55.33	47.63	44.01

**ZD3 Foreign Exchange exposure as on year end are as under:**

	Particulars	As at 30 Sep 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(a)	Amount Receivable	NIL	NIL	NIL	NIL
(b)	Advance received for supply of goods	NIL	NIL	NIL	NIL

**ZD4 Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

(a) Gross amount required to be spent by the company for the period ended :(30th September, 2022 Rs. 7.15 Lakhs) , (31st March, 2022 Rs. NIL), (31st March,2021 Rs.NIL ),(31st March,2020 Rs.NIL )

(b) Company is not required to spent any amount for CSR under section 135 of the Company Act, 2013 for the year, as the company's profit does not exceeds prescribed limit specified under section 135 of the Company Act, 2013 during preceding three years for FY 20-21,FY 19-20 and FY 18-19

(c) Amount spent is as under:

SN	Particulars	As at 30 Sep 2022	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
1	<b>Construction / Acquisition of Assets</b>				
	- In cash	-	-	-	-
	- Yet to be paid in cash	-	-	-	-
2	<b>On purpose other than (i) above</b>				
	- In cash				
	- Yet to be paid	7.15	-	-	-

Note: CSR is applicable to Company from FY 2022-23 only

**ZD5 Accounting Ratios**

S No.	Particulars	As at 30 Sep 2022 (Not Annualised)	2021-22	2020-21	2019-20
1	Current Ratio	2.18	2.32	1.42	1.04
2	Debt-Equity Ratio	0.78	0.66	1.13	8.24
3	Debt Service Coverage Ratio	2.33	3.20	0.96	0.95
4	Return on Equity Ratio	27.91%	98.36%	87.17%	87.08%
5	Trade Receivables turnover ratio (in times)	21.38	42.67	57.84	120.15
6	Net capital turnover ratio (in times)	3.23	5.11	11.04	83.08
7	Net profit ratio	8.27%	10.83%	5.84%	2.03%
8	Inventory Turnover Ratio	2.58	6.48	6.46	6.21
9	Return on Capital employed	20.71%	57.42%	38.10%	17.54%

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the year/period ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.robu.in](http://www.robu.in).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below: -

(Rs. in lakhs)

Particulars	September 30, 2022*	March 31, 2022	March 31, 2021	March 31, 2020
Profit After Tax	295.85	601.27	158.31	32.97
Basic & Diluted Earnings per Share (based on Weighted Average Number of Shares)	3.35	6.81	1.82	0.38
Return on Net Worth (%)	24.50%	65.93%	50.96%	62.74%
Net Asset Value per Share (based on Weighted Average Number of Shares )	13.67	10.32	3.56	0.60
Net asset value per share (Based on Actual Number of Shares)	11,906.32	8,989.84	3,062.45	525.51
Earnings before interest, tax, depreciation and amortization (EBITDA)	437.39	873.14	273.57	127.83

**\*Six month figures are not annualized**

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,

**The Board of Directors,**

Macfos Limited

Sumant Building, Dynamic Logistics Trade Park,

Survey No. 78/1, Dighi, Bhosari Alandi Road,

Pune - 411015,

Maharashtra

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Macfos Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30<sup>th</sup> September, 2022 are mentioned below.

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Rs. in Lakhs)

Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.09.2022 as per Books (In Lakhs)
ICICI Bank	Working capital	ECLGS Loan - 167355000011	71.00	I-ECLGR (7.70%) i.e. 9.25%	Current Asset, Immovable Fixed Asset & Guarantee (Refer Note 1), Movable fixed Asset, Fixed Deposit.	34 equal monthly installments of Rs. 2.58 lacs each commencing from May'22	N.A.	60.58
ICICI Bank	Expansion Cum modernization	Term Loan – 603090021690	650.00 (Rs. 250 Lacs for Land & Rs. 400 Lacs for Construction)	8.40%		73 monthly installments (variable) starting from Rs 5.37 Lakhs in Aug 22 to Rs 3.50 Lakhs in July'28	N.A.	243.06
IndusInd Bank	Working capital	ECLGS Loan – 706000111714	2.58	9.25%	Guarantee from National Credit Guarantee Trustee Company Ltd (NCGTC) as	48 monthly installments of Rs. 0.08 lacs each commencing from Oct.'20	N.A.	1.73

					per GECL Scheme			
ICICI Bank	Working capital	CC & OD	410.00	8.00%	Current Asset, Immovable Fixed Asset & Guarantee (Refer Note 1), Movable fixed Asset, Fixed Deposit.	-	N.A.	251.59
<b>Total (Fund Based)</b>								<b>556.95</b>
<b>Total (Non Fund Based) – Limit Rs 100 Lakhs(Sublimit of Working Capital)</b>								<b>-</b>
<b>Grand Total (Fund &amp; Non Fund Based)</b>								<b>556.95</b>

**Note 1**

**ICICI BANK LOAN : SECURITY**

**Collateral Security:-**

Equitable Mortgage over the following properties:

- a. Plot No A- 34 Phase I Mahalunge, Chakan MIDC, Chakan, Khed, Pune, Maharashtra, India – 411002 (security provided by Company)
- b. Plot No. 199, CS 876, mouza Sakkardara. Nagpur, Maharashtra, India -440001 (personal property of relative of Promoter/Director)
- c. Plat No. 206, AM Block Amrapali Village, Ghaziabad, Uttarpradesh, India - 201012 (personal property of relative of Mr. Jayesh Jain)
- d. Flat No. 206, Ramchandra Heights, Borhadewadi, Pune, maharashtra, India- 411002 (personal property of relative of Promoter/Director)

**Personal Guarantee:-**

Mangal Maruti Dumbare  
Rajni Rani Jain  
Jayesh Jain  
Nileshkumar Purushottam Chavhan  
Atul Maruti Dumbre  
Binod Prasad  
Purshottam Uddhao Chavan

**Principal terms of Cash Credit facilities availed from ICICI Bank Limited:**

1. The Availability of working capital facilities will be subject to availability of the Drawing power calculated after keeping margin of 25.00% on stock statement submitted with the bank on quarterly basis ( i.e. Raw Materials (Domestic & Imported), Stocks in progress, Finished Goods sundry debtors)
2. In addition to the rate of interest, following penal rate of interest/ charges will be charged: -

(a) Non-compliance of sanction terms pertaining to Stock Audit, Book Debt Statement and Stock Statement	(a) For facility amount: > 100.0 mn: Rs.25,000/- per type of compliance pending at month end
(b) Irregular due to drawings beyond DP / Limit	2% over the Documented Rate.
(c) Payment default (in case of foreign currency)	(a) 2% over the Documented Rate (b) In the event payment default continues for more than 90 days, the additional interest rate shall increase to '6% over the Documented Rate'



	and such increased rate shall be applicable from the date of the payment default.)
(d) Non Compliance of sanction terms pertaining to Security Creation	(a) For the first 15 days of delay: Nil (b) Delay >15 days: 1% p.a.
(e) Breach of financialCovenants	(a) For the first 15 days of delay: Nil (b) Delay >15 days: 1% p.a.

### 3. Insurance :-

The Borrower shall ensure that comprehensive insurance is in place to cover all risks in relation to the Security (for its full value), in the joint names of the Borrower and ICICI Bank or banks lien should be noted on the policies as first loss payee

### 4. Unit visit:-

Unit Visit by ICICI Bank's officials or ICICI Bank's concurrent auditors or statutory auditors or officials of RBI or any other re-financing agency or ICICI Bank's/RBI's authorized agency or any other third party authorized by ICICI Bank on half yearly, within 30 days form end of half year

### 5. Stock Statement :-

The Borrower shall furnish, at the frequency and on or before the dates specified herein, details of stock, in a format, satisfactory to ICICI Bank on monthly basis, prior to 15th day of next month

### 6 Stock Audit:

Stock and Receivable Audit will be carried out at as per Bank's instructions at present the periodicity is first audit within 6 months from the date of first disbursement/ drawal and subsequently once in a year.

7 **Audited financial statements:** Certified by Statutory auditor within 7 months from the end of financial year.

### 8 Other important covenant:

Bank has the right to monitor progress in respect of Performance Bank Guarantee and Advance Payment Bank Guarantee through Lender's Independent Engineer, at Company cost, at the discretion of the Bank at such intervals as may be warranted based on the tenor of underlying contract or as otherwise warranted.

### Principal terms of General Condition facilities availed from ICICI Bank Limited:

- (a) The Facility shall be used only for Expansion cum Modernisation The proceeds of the Facility shall be utilized only for the purpose stipulated in this clause and unless specifically provided for, the Facility, either in part or in full, shall not be utilized for capital market activities, land acquisition, real estate activities, acquisition of equity in companies, buyback of shares of company, and/or any illegal/prohibited activities.
- (b) **Repo Rate:** -The rate of interest of the Facility stipulated by the Bank shall be sum of the Repo Rate plus 'Spread' per annum, plus applicable statutory levy, if any ('Interest Rate') and shall be charged on the principal amount of the Facility remaining outstanding each day. The applicable Repo Rate shall be the rate prevailing one Business Day preceding the date of account opening /limit set-up. The Repo Rate component of the Interest Rate shall be reset after every 3 months following the date of account opening

/limit set-up /renewal (as applicable), as a sum of Repo Rate + 'Spread', plus applicable statutory levy, if any. The applicable Repo Rate shall be the rate prevailing one Business Day preceding the reset date. The Bank shall have the right to modify the reset frequency and reset date from time to time in accordance with the extant RBI Guidelines. The Borrower further acknowledges that Interest Rate may change, upward or downwards, as the case may be, in line with change in the Repo Rate. The Bank reserves the right to reset the Spread at any time upon substantial change in the Borrower's credit assessment and/ or on account of deterioration in the credit risk profile. Any change in 'Spread' would be communicated by the Bank through either: (i) Letter (ii) E-Mail (iii) SMS (iv) Statements of Accounts (v) WhatsApp or any other suitable mode

- (c) **Security :-** The Facility, together with the Interest, additional interest, liquidated damages, fees, premia on payment, costs, charges, expenses and all other monies whatsoever payable by the Borrower shall be secured by the security interest/arrangements as stipulated in the Annexure – Security details/ template. Security Creation and Perfection Timelines: The Security shall be created and perfected within the timelines mentioned in the Security Template, failing which, the Borrower shall be liable to pay additional interest, as provided above in the Additional Interest Rate, on the entire outstanding, which shall be over and above the Applicable Interest Rate, till creation and perfection of the Security to the satisfaction of ICICI Bank. Notwithstanding the aforesaid or anything to the contrary contained in the CAL and/or facility agreement, it is hereby clarified that additional interest will not be levied on the Borrower on account of non-completion of CERSAI registration.
- (d) **Security Cover:** -The Borrower shall ensure that Security Cover of 1.00 is maintained to the satisfaction of ICICI Bank throughout the subsistence of the Facility.
- (e) **Disbursement Mechanism:** -The Borrower shall furnish to ICICI Bank an irrevocable notice of drawal 3 days prior to the proposed drawdown date. Minimum amount per drawdown/tranche shall be Rs. 10 Lacs.
- (f) **SMA check:** -SMA check of borrowing entity, top 5 buyer & 1 supplier to be deferred by 30 days for disbursement of enhancement case.
- (g) **Voluntary prepayment:** -The Borrower may prepay the Facility, in full or in part thereof (without any prepayment premium) within 60 days of any increase in Spread as aforesaid, subject to the Borrower providing an irrevocable written notice of prepayment to ICICI Bank within 15 days of such increase in Spread. Such notice shall inter alia specify the amount to be prepaid and the date of prepayment. Save and except mentioned herein, if the Borrower wishes to prepay the Facility, in full or in part, it may do so with payment of Prepayment Premium, giving at least 60 days irrevocable prior written notice of the same to ICICI Bank
- (h) **Events of default:** -In addition to the events of default that are customary to a financing of this nature and the events mentioned in the Transaction Documents, the occurrence of any one or more of the following events shall constitute an event of default:
  - (i) Payment default;
  - (ii) Misleading information and representation;
  - (iii) Cessation or change of business of the Borrower;
  - (iv) Security in jeopardy;
  - (v) Illegality;
  - (vi) Expropriation;
  - (vii) Change in control;
  - (viii) Any other events of default as stipulated in the facility agreement
- (i) **Consequences of events of defaults:** -In addition to the consequences of events of default customary to a financing of this nature and the consequences mentioned in the Transaction Documents, ICICI Bank may exercise any of the following rights:
  - (i) accelerate the Facility and declare outstanding amounts under the Facility immediately due and payable;
  - (ii) Cancel the undrawn commitments under the Facility;
  - (iii) Enforce the Security;
  - (iv) Exercise any other rights under the Transaction Documents/ applicable law.
- (j) **Events of default:** -In addition to the events of default that are customary to a financing of this nature and the events mentioned in the Transaction Documents, the occurrence of any one or more of the following events shall constitute an event of default:
  - (i) Payment default;
  - (ii) Misleading information and representation;
  - (iii) Cessation or change of business of the Borrower;
  - (iv) Security in jeopardy;
  - (v) Illegality;
  - (vi) Expropriation;
  - (vii) Change in control;

(viii) Any other events of default as stipulated in the facility agreement

**The facility is personally Guaranteed by following persons**

Sr No	Name of Personal Guarantors
1	MangalMarutiDumbare
2	Rajni Rani Jain
3	Jayesh Jain
4	NileshkumarPurushottamChavhan
5	AtulMarutiDumbre
6	Binod Prasad
7	PurshottamUddhaoChavan

**Collateral Security provided against facility**

Asset Detail	Description/Property ,Address	Nature of Charge
Current Assets	-	Exclusive Charge
Immovable Fixed Assets	Plot No. A-34 ,Chakan MIDC , Phase 1 , Village Mahalunge , Pune , Maharashtra , India ,411002	Exclusive Charge
Movable Fixed Assets	-	Exclusive Charge
Immovable Fixed Assets	Flat no 206, second floor, Borhadewadi, Ramchandra heights, Pune, Maharashtra , India ,411002	Exclusive Charge
Immovable Fixed Assets	Flat No. 206, 2nd Floor, Makanpur , Arapalivillage, Am Block Ghaziabad ,Uttarpradesh -201012	Exclusive Charge
Immovable Fixed Assets	Plot no 199 , CS No. 876,Nagpur, MouzaSakkardara , KH no 11 29 32ph no 39, Nagpur ,Maharashtra ,India , 440001	Exclusive Charge
Fixed Deposit	-	Exclusive Charge
Immovable Fixed Assets	Plot No. A-34 , ChakanMidc, Phase 1 , Village Mahalunge , Taluka Khed Pune , Maharashtra , India ,- 411002	Exclusive Charge

**B. UNSECURED LOANS**

Name	Purpose	Rate of Interest	Repayment	Outstanding Amount in Lacs as per Books as on30-09-2022
Aditya Birla Capital	Business Loan	16%	36 monthly installments of Rs. 1.76 lacs each commencing from Feb.'22 (Inclusive of Interest)	40.85
Axis Bank	Business Loan	"1 year MCLR(7.35%) +8.15% i.e. 15.5% "	36 monthly installments of Rs. 1.75 lacs each commencing from Aug.'21 (Inclusive of Interest)	33.09

Bajaj Finserv	Business Loan	16.00%	36 monthly installments of Rs. 1.01 lacs each commencing from Jan.'22 (Inclusive of Interest)	22.84
Clix Capital	Business Loan	14.00%	36 monthly installments of Rs. 0.10 lacs each commencing from Oct.'21 (Inclusive of Interest)	1.94
Deutsche Bank	Business Loan	16.00%	36 monthly installments of Rs. 1.76 lacs each commencing from Aug.'21 (Inclusive of Interest)	33.30
FedBank	Business Loan	16.00%	36 monthly installments of Rs. 1.05 lacs each commencing from Aug.'21 (Inclusive of Interest)	20.00
HDFC Bank	Business Loan	15.00%	48 monthly installments of Rs. 1.39 lacs each commencing from Aug.'21 (Inclusive of Interest)	38.35
ICICI Bank Ltd	Business Loan	16.00%	36 monthly installments of Rs. 0.88 lacs each commencing from Aug.'21 (Inclusive of Interest)	16.68
IndusInd Bank Loan	Business Loan	16.00%	36 monthly installments of Rs. 1.76 lacs each commencing from Dec.'21 (Inclusive of Interest)	38.40
Kotak Bank-1	Business Loan	15.50%	36 monthly installments of Rs. 1.04 lacs each commencing from Aug.'21 (Inclusive of Interest)	19.95
Kotak Loan-2	Business Loan	8.00%	48 monthly installments of Rs. 0.08 lacs each commencing from Aug.'21 (Inclusive of Interest)	1.56
PoonawalaFincorp Ltd.-1	Business Loan	14.00%	48 monthly installments of Rs. 0.11 lacs each commencing from Dec.'20 (Inclusive of Interest)	2.56
Poonawalla Finance- 2	Business Loan	16.00%	36 monthly installments of Rs. 0.95 lacs each commencing from Jan.'22 (Inclusive of Interest)	21.30
RBL Bank -1	Business Loan	17.00%	36 monthly installments of Rs. 0.17 lacs each commencing from Aug.'21 (Inclusive of Interest)	3.42
RBL Bank- 2	Business Loan	16.00%	48 monthly installments of Rs. 1.00 lacs each commencing from Dec.'18 (Inclusive of Interest)	1.95
Standard Chartered	Business Loan	16.00%	36 monthly installments of Rs. 1.76 lacs each commencing from Aug.'21 (Inclusive of Interest)	33.33

Yes Bank	Business Loan	15.75%	36 monthly installments of Rs. 1.75 lacs each commencing from Aug. '21 (Inclusive of Interest)	33.28
<b>Subtotal (A)</b>				<b>362.79</b>
<b>Unsecured Loan – From Directors</b>				
Atul Dumbre	Business	0.00%	On Demand	0.32
Binod Prasad	Business	0.00%	On Demand	0.60
Jayesh Jain	Business	0.00%	On Demand	1.74
Nilesh Chavhan	Business	0.00%	On Demand	0.59
<b>Subtotal (B)</b>				<b>3.26</b>
<b>Unsecured Loan – From Related Parties</b>				
Sakshi Jain	Business	11.00%	On Demand	15.00
<b>Subtotal (C)</b>				<b>15.00</b>
<b>TOTAL UNSECURED LOANS (A+B+C)</b>				<b>381.05</b>

**ForKishor Gujar & Associates**

Chartered Accountants

Firm Registration no: 116747W

**Sd/-**

CA Sangita V Kumbhar (Partner)

Membership No: 156238

Place: Pimpri, Pune

Date: 11<sup>th</sup> January, 2023

CERT No.: 213/2022-23

UDIN:23156238BGWICV1414

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 119. You should also read the section titled "Risk Factors" on page 24 and the section titled "Forward Looking Statements" on page 18 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated December 03, 2022 which is included in this DRHP under "Restated Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

### **BUSINESS OVERVIEW**

Driven by the motto, "Your Ideas, Our Parts", we are primarily an e-commerce based Company focused on the marketing of a broad range of electronic components which finds application in basic and advanced engineering products & projects, including emerging technologies such as IoT, Robotics, Automations, Drone, Electric Vehicles, 3D Printing and Auto Guided Vehicles. Our broad portfolio consists of over +12,000 SKU's of electronics components and parts that facilitate consumers such as manufacturers, electrical & mechanical engineering students, educational institutions, researchers and developers, to turn their ideas into reality as well as to speed up their product R&D and prototyping cycle.

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure IV of Restated Financial Statements beginning on page 125 of this DRHP.

### **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 24 of this DRHP. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Changes in consumer demand;
3. Failure to successfully upgrade our product portfolio, from time to time;
4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our failure to keep pace with rapid changes in technology;
8. Our ability to grow our business;
9. Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
10. general economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company's ability to successfully implement its growth strategy and expansion plans ;
13. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. inability to successfully obtain registrations in a timely manner or at all;
15. occurrence of Uninsured Losses;
16. conflicts of interest with affiliated companies, the promoter group and other related parties;
17. any adverse outcome in the legal proceedings in which we are involved;
18. Concentration of ownership among our Promoters;
19. The performance of the financial markets in India and globally;
20. Impact of covid-19 on our business and operations; and
21. Global distress due to Pandemic, war or by any other reason.

### **Discussion on Result of Operations**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the six months period ended September 30, 2022 and F.Y. ended 2022, 2021 and 2020.

**Rs. In Lakhs**

Particulars	September 30, 2022	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income
Revenue from operations	3,578.12	99.24	5,551.47	99.36	2,711.92	99.20	1,621.81	99.98
Other income	27.28	0.76	35.60	0.64	21.84	0.80	0.35	0.02
<b>Total Revenue</b>	<b>3,605.40</b>	<b>100.00</b>	<b>5,587.07</b>	<b>100.00</b>	<b>2,733.76</b>	<b>100.00</b>	<b>1,622.16</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of Materials Consumed	11.42	0.32	26.06	0.47	21.11	0.77	19.22	1.18
Purchase of Stock-in-Trade	2,935.28	81.41	4,327.44	77.45	2,037.32	74.52	1,124.36	69.31
Change of Inventories of Work in progress and finished goods	(400.23)	(11.10)	(655.48)	(11.73)	(219.01)	(8.01)	(98.56)	(6.08)
Employee Benefits Expense	208.66	5.79	292.89	5.24	187.73	6.87	127.04	7.83
Finance costs	50.08	1.39	80.05	1.43	52.33	1.91	49.62	3.06
Depreciation and amortization expense	20.33	0.56	38.75	0.69	43.64	1.60	43.00	2.65
Other expenses	381.25	10.57	672.53	12.04	398.77	14.59	315.87	19.47
<b>Total expenses</b>	<b>3,206.78</b>	<b>88.94</b>	<b>4,782.23</b>	<b>85.59</b>	<b>2,521.89</b>	<b>92.25</b>	<b>1,580.54</b>	<b>97.43</b>
<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items &amp; Tax</b>	<b>398.63</b>	<b>11.06</b>	<b>804.84</b>	<b>14.41</b>	<b>211.87</b>	<b>7.75</b>	<b>41.62</b>	<b>2.57</b>
Exceptional item	0.00	-	0.00	-	0.00	-	0.00	-
<b>Profit/ (Loss) Before Extraordinary items &amp; Tax</b>	<b>398.63</b>	<b>11.06</b>	<b>804.84</b>	<b>14.41</b>	<b>211.87</b>	<b>7.75</b>	<b>41.62</b>	<b>2.57</b>
Prior Period Expenses	0.00	-	0.00	-	0.00	-	0.00	-
Extraordinary items	0.00	-	0.00	-	0.00	-	0.00	-
<b>Profit/ (Loss) Before Tax</b>	<b>398.63</b>	<b>11.06</b>	<b>804.84</b>	<b>14.41</b>	<b>211.87</b>	<b>7.75</b>	<b>41.62</b>	<b>2.57</b>
<b>Tax expenses</b>								
Current tax	103.87	2.88	208.15	3.73	61.88	2.26	15.20	0.94
Deferred tax	(1.09)	(0.03)	(4.85)	(0.08)	(8.31)	(0.30)	(6.55)	(0.40)
MAT Credit entitlements	0.00	-	0.00	-	0.00	-	0.00	-
Prior period expenses	0.00	-	0.00	-	0.00	-	0.00	-
Excess/short provision written back/off	0.00	-	0.00	-	0.00	-	0.00	-
<b>Total</b>	<b>102.78</b>	<b>2.85</b>	<b>203.57</b>	<b>3.64</b>	<b>53.57</b>	<b>1.96</b>	<b>8.65</b>	<b>0.94</b>
<b>Profit/(Loss) for the Year</b>	<b>295.85</b>	<b>8.21</b>	<b>601.27</b>	<b>10.76</b>	<b>158.31</b>	<b>5.79</b>	<b>32.97</b>	<b>(0.40)</b>

**Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of products.

**Other Income:**

Our other income primarily comprises of interest from fixed deposits, custom script variance gain and foreign currency transaction gain etc.

**Expenses:**

Company's expenses consist of Cost of Materials Consumed, Purchase of Stock-in-Trade, Change of Inventories of Work in progress and finished goods, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses.

**Cost of Material Consumed:**

Our cost of material consumed comprises of purchase of raw material and components for manufacturing the end products.

**Purchase of Stock in Trade:**

Our purchases comprises of purchase of stock for manufacturing the end products.

**Change of Inventories of Work in progress and finished goods:**

Our changes in the inventory of comprises of changes in the Work in progress and finished goods.

**Employee benefits expense:**

Our employee benefits expense primarily comprises of Salaries and wages, Contribution to provident and other funds, Staff welfare expenses etc.

**Finance Costs:**

Our finance cost includes interest on cash credit, loan from Bank/ NBFC, Unsecured loan from related party and other borrowing costs.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on building, furniture and fixtures, vehicles, office equipment, etc.

**Other Expenses:**

Other Expenses includes rent, advertisement expenses, import shipping charges, courier charges, professional & consultancy charges, software developing fees, server payment, packing material etc.

**Details of period ended September 30, 2022 and comparison of Financial Year 2022 with Financial Year 2021 (Based on Restated Financial Statements)****Total Income:**

Total income for the period ended September 30, 2022 stood at ₹ 3,605.40 Lakhs. Total income for the financial year 2021-22 stood at ₹ 5,587.07 Lakhs whereas in Financial Year 2020-21 the same stood at ₹ 2,733.76 Lakhs representing significant increase of 104.37%. The main reason of increase was increase in the business operations of the company.

***Revenue from Operations***

During the period ended September 30, 2022, revenue from operations was ₹3,758.12 Lakhs. For financial year 2021-22 it increased to ₹ 5,551.47 Lakhs as against ₹2,711.92 Lakhs in the Financial Year 2020-21 representing an increase of 104.71%. This increase is mainly due to increase in sale of products, both in domestic and export market.

***Other Income***

During the period ended September 30, 2022, other income was ₹ 27.28 Lakhs. For financial year 2021-22, it increased to ₹35.60 Lakhs as against ₹21.84Lakhs in the Financial Year 2020-21 representing an increase of 21.84%. Such increase was primarily due to gain in foreign currency transaction.

**Total Expenses:**

The Total Expenditure for the period ended September 30, 2022 stood at ₹3,206.78 Lakhs. For financial year 2021-22, it increased to ₹ 4,782.23 Lakhs from ₹2,521.89Lakhs in the financial year 2020-21 representing an increase of 89.63%.



### ***Cost of Materials Consumed***

The Cost of Materials Consumed for the period ended September 30, 2022 stood at ₹11.42 Lakhs. For financial year 2021-22, it increased to ₹26.06 Lakhs from ₹21.11 Lakhs for the financial year 2020-21, representing an increase of 23.45% to the previous year.

### ***Purchase of Stock in trade***

The Purchase of Stock in Trade for the period ended September 30, 2022 was ₹2,935.28 Lakhs and for the year 2021-22, it increased to ₹4,327.44 Lakhs from ₹2,037.32 Lakhs for the financial year 2020-21, representing a significant increase of 112.41% to the previous year.

### ***Changes in the Inventory***

Our Company has incurred ₹ 400.23 Lakhs for the period ended September 30, 2022 and ₹ 655.48 Lakhs during the financial year 2021-22 as compared to ₹ 219.01 Lakhs in the financial year 2020-21. The significant decrease of 199.29% was due to increase in Stock in Trade.

### ***Employee benefits expense***

Our Company has incurred ₹208.66 Lakhs as Employee benefits expense for the period ended September 30, 2022. It stood at ₹292.89 Lakhs during the financial year 2021-22 as compared to ₹187.73 Lakhs in the financial year 2020-21, representing an increase of 56.02%.

### ***Finance costs***

Finance costs for the period ended September 30, 2022 was ₹50.08 Lakhs. For financial Year 2021-22, it increased to ₹ 80.05 Lakhs as against ₹ 52.33 Lakhs during the financial year 2020-21, representing an increase of 52.97%.

### ***Depreciation and Amortization Expenses***

Depreciation for the period ended September 30, 2022 was ₹20.33 Lakhs. For financial year 2021-22, it stood at ₹ 38.75 Lakhs as against ₹43.64 Lakhs during the financial year 2020-21, representing decrease of 11.21%.

### ***Other Expenses***

Other Expenses for the period ended September 30, 2022 stood at ₹381.25 Lakhs. For Financial Year 2021-22, other expenses was ₹ 672.53 Lakhs as against ₹398.77 Lakhs during the financial year 2020-21. The increase of 68.65% was mainly due to increase in power and fuel, repair and maintenance- building, import clearing charges, import shipping charges, courier charges, professional& consultancy charges, software developing fees etc.

### **Restated Profit before tax:**

Restated Profit before tax for the period ended September 30, 2022 was ₹398.63 Lakhs. For financial year 2021-22, it has significantly increased to ₹ 804.84 Lakhs as compared to ₹211.87 Lakhs in the financial year 2020-21, representing an increase of 279.87%.

### **Restated profit for the year:**

The Company reported Restated profit after tax for the period ended September 30, 2022 at ₹295.85 Lakhs. For financial year 2021-22, it stood at ₹601.27 Lakhs in comparison to ₹158.31Lakhs in the financial year 2020-21, representing an increase of 279.81%.

### **Financial Year 2021 Compared to Financial Year 2020 (Based on Restated Financial Statements)**

#### **Total Income:**

Total income for the financial year 2020-21 stood at ₹ 2,733.76 Lakhs whereas in Financial Year 2019-20 the same stood at ₹ 1,622.16 Lakhs representing an increase of 68.53%. The main reason of increase was increase in the business operations of the company.

#### **Revenue from Operations**

For financial year 2020-21 revenue from operations increased to ₹ 2,711.92 Lakhs as against ₹ 1,621.81 Lakhs in the Financial Year 2019-20 representing an increase of 67.22%. This increase is mainly due to increase in sale of products, both in domestic and export market.

#### ***Other Income***

For financial year 2020-21, other income increased to ₹ 21.84 Lakhs as against ₹ 0.35 Lakhs in the financial year 2019-20 representing a significant increase of 6,140.00%. Such increase was primarily due to gain in foreign currency transaction

#### **Total Expenses:**

For financial year 2020-21, total expenditure increased to ₹ 2,521.89 Lakhs from ₹ 1,580.54 Lakhs in the financial year 2019-20 representing an increase of 59.56%.

#### ***Cost of Materials Consumed***

For financial year 2020-21, Cost of Materials Consumed increased to ₹21.11Lakhs from ₹ 19.22 Lakhs for the financial year 2019-20, representing an increase of 9.83% to the previous year.

#### ***Purchase of Stock in trade***

For the financial year 2020-21, Purchase of Stock in Trade increased to ₹ 2,037.32 Lakhs from ₹ 1,124.36 Lakhs for the financial year 2019-20, representing an increase of 81.20% to the previous year.

#### ***Changes in the Inventory***

Our Company has incurred ₹219.01 Lakhs as changes in the Inventory during the financial year 2020-21 as compared to ₹98.56 Lakhs in the financial year 2019-20. The significant decrease of 122.21% was due to increase in Stock in Trade.

#### ***Employee benefits expense***

Our Company has incurred ₹ 187.73 Lakhs as employee benefits expenseduring the financial year 2020-21 as compared to ₹ 127.04 Lakhs in the financial year 2019-20, representing an increase of 47.77%.

#### ***Finance costs***

Finance costs for the financial Year 2020-21 stood ₹52.33 Lakhs, as against ₹49.62 Lakhs during the financial year 2019-20, representing an increase of 5.46%.

#### ***Depreciation and Amortization Expenses***

Depreciation for the financial year 2020-21, stood at ₹ 43.64 Lakhs as against ₹ 43.00 Lakhs during the financial year 2019-20, representing an increase of 1.49%.

#### ***Other Expenses***

Other Expenses for the financial year 2020-21, was ₹398.77 Lakhs as against ₹315.87 Lakhs during the financial year 2019-20. The increase of 26.24% was mainly due to increase in power and fuel, commission expenses, commission expenses, interest/penalty, server payment, telephone expenses, etc.

#### **Restated Profit before tax:**

Restated Profit before tax for the financial year 2020-21, has significantly increased to ₹211.87 Lakhs as compared to ₹41.62 Lakhs in the financial year 2019-20, representing an increase of 409.06%.

#### **Restated profit for the year:**

The Company reported Restated profit after tax for the financial year 2020-21 at ₹158.31 Lakhs in comparison to ₹32.97 Lakhs in the financial year 2019-20, representing an increase of 380.16%.

#### **Key Performance Indicators of our Company**

(Rs. in lakhs)

Key Performance Indicator	Six months period ended September 30, 2022*	FY 2021-22	FY 2020-21	FY 2019-20
Revenue from operations <sup>(1)</sup>	3,578.12	5,551.47	2,711.92	1,621.81
EBITDA <sup>(2)</sup>	437.39	873.14	273.57	127.83
EBITDA Margin <sup>(3)</sup>	12.22%	15.73%	10.09%	7.88%
PAT <sup>(4)</sup>	295.85	601.27	158.31	32.97
PAT Margin <sup>(5)</sup>	8.27%	10.83%	5.84%	2.03%
RoE(%) <sup>(6)</sup>	27.91%	98.36%	87.17%	87.08%
RoCE (%) <sup>(7)</sup>	13.79%	39.68%	23.96%	6.79%
Number of Orders <sup>(8)</sup>	1,00,859	2,05,550	1,24,976	82,007
Number of Customers <sup>(9)</sup>	50,662	83,752	59,564	40,433

\* Not Annualized

Notes:

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

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

<sup>(3)</sup>EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup>PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup>PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.

<sup>(6)</sup>Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup>Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

<sup>(8)</sup>Number of orders indicate the count of sales orders which we have received from the customers for the year/period.

<sup>(9)</sup>Number of customers indicate the count of customers who contributed to revenue from operations for the year/period.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Number of Orders	Number of orders indicate the count of sales orders which we have received from the customers for the year/period
Number of Customers	Number of customers indicate the count of customers who contributed to revenue from operations for the year/period

#### Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

##### 1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

##### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

##### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 24 of the DRHP, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### **4. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 24, 84 and 171 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

#### **5. Total turnover of each major industry segment in which our Company operates**

As we operate in single segment i.e. electronic items and parts, the same is not applicable on our Company

#### **6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**”, our Company has not announced any new product or service.

#### **7. Seasonality of business**

The business of our Company is not seasonal in nature

#### **8. Dependence on single or few customer**

As on date of this DRHP, we are not dependent on single or few customers.

#### **9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 75 and 84 respectively of this DRHP.

#### **10. Details of material developments after the date of last balance sheet i.e. September 30, 2022 :**

After the date of last Balance sheet i.e. September 30, 2022, the following material events have occurred after the last audited period –

- a) Our Company has increased its Authorised Share capital from Rs. 5,00,000 divided into 50,000 Equity Shares of Rs. 10 each to Rs. 9,00,00,000 divided into 50,000 Equity Shares of Rs. 10 each.
- b) The Company has issued bonus share in the ratio of Eight Hundred Seventy equity share for every one equity shares held dated November 25, 2022.
- c) Mr. Jayesh Jain was resigned from the post of Directorship of Company w.e.f. December 03, 2022.
- d) The Shareholder of the Company approved the conversion of the Company from Private Limited to Public Limited and consequently the name of Company was changed from “Macfos Private Limited” to “Macfos Limited” in its Extra Ordinary General Meeting held on December 28, 2022 and fresh Certificate of Incorporation was issued by Registrar of Companies, Pune, Maharashtra vide dated January 06, 2023.
- e) Sagar Subhash Gulhane was appointed as Company Secretary & Compliance Officer of the Company w.e.f. January 07, 2023
- f) Binod Prasad was appointed as Chief Financial Officer of the Company w.e.f. January 07, 2023
- g) Atul Maruti Dumbre was appointed as Managing Director of the Company vide Special Resolution passed on January 11, 2023 for a term of 3 years.
- h) Binod Prasad was appointed as Whole Time Director of the Company vide Special Resolution passed on January 11, 2023 for a term of 3 years.

- i) Nileshkumar Purshottam Chavhan was appointed as Whole Time Director of the Company vide Special Resolution passed on January 11, 2023 for a term of 3 years.
- j) Our Company has appointed Ankit Rathi as Independent Director of the Company for a period of 5 year vide Special resolution passed on January 11, 2023 for a term of 5 years.
- k) The Company has been authorized to proceed with the Offer, pursuant to the resolution passed by the Board of Directors at its meeting held on January 07, 2023 and Shareholders meeting dated January 11, 2023.

## CAPITALIZATION STATEMENT

Particulars	Pre Offer as at September 30, 2022	Post offer as at September 30, 2022 (as adjusted for Bonus Issue)*
<b>Borrowings</b>		
Short term debt (A)	504.29	504.29
Long Term Debt (B)	433.71	433.71
<b>Total debts (C)</b>	<b>938.00</b>	<b>938.00</b>
<b>Shareholders' funds</b>		
Equity share capital	1.01	883.54
Reserve and surplus - as restated	1,206.76	324.23
<b>Total shareholders' funds</b>	<b>1,207.78</b>	<b>1,207.78</b>
<b>Long term debt / shareholders funds (in Rs.)</b>	0.36	0.36
<b>Total debt / shareholders funds (in Rs.)</b>	0.78	0.78

(\* ) The Company is offering the Equity Shares through an offer for sale by way of initial public offering. Hence, there will be no change in the shareholders' funds on account of this Offer

\*The post offer Equity Share Capital and Reserves and Surplus has been adjusted for 88,25,280 bonus shares allotted by the Company on November 25, 2022 in the ratio of 870:1

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and includes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above excluding installment of term loans repayable within 12 months grouped under short term borrowings
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.09.2022

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, Directors and Promoters.*

*Our Board, in its meeting held on January 12, 2023 determined that outstanding legal proceedings involving the Company, Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 2% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

#### A. LITIGATION INVOLVING THE COMPANY

##### (a) Criminal proceedings against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### (b) Criminal proceedings filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

##### (c) Actions by statutory and regulatory authorities against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### (d) Tax Proceedings

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)
Direct Tax	3	0.43
Indirect Tax	-	-
<b>Total</b>	<b>3</b>	<b>0.43</b>

*\*To the extent quantifiable*

##### (e) Other pending material litigations against the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

##### (f) Other pending material litigations filed by the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations filed by the Company, which have been considered material by the Company in accordance with the Materiality Policy.

#### B. LITIGATIONS INVOLVING THE DIRECTORS OF THE COMPANY

##### (a) Criminal proceedings against the Directors of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Directors.

##### (b) Criminal proceedings filed by the Directors of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Directors of the Company.

##### (c) Actions by statutory and regulatory authorities against the Directors of the Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Directors.

**(d) Tax Proceedings**

<b>Tax Liability</b>	<b>Number of cases</b>	<b>Amount Involved* (Rs. In Lacs)</b>
<b>Direct Tax</b>	Nil	Nil
<b>Indirect Tax</b>	Nil	Nil
<b>Total</b>	Nil	Nil

**(e) Other pending material litigations against the Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no such outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no such outstanding litigations initiated by the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**C. LITIGATIONS INVOLVING THE PROMOTERS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against the Promoters/.

**(b) Criminal proceedings filed by the Promoters of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters/

**(c) Actions by statutory and regulatory authorities against the Promoters of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters of the Company.

**(d) Tax Proceedings**

Except as mentioned below, there are no pending claims related to direct and indirect taxes involving the Promoters/ of the Company:-

<b>Tax Liability</b>	<b>Number of cases</b>	<b>Amount Involved* (Rs. In Lacs)</b>
<b>Direct Tax</b>	Nil	Nil
<b>Indirect Tax</b>	Nil	Nil
<b>Total</b>	Nil	Nil

**(e) Other pending material litigations against the Promoters of the Company**

As on the date of this Draft Red Herring Prospectus, there are no such outstanding litigations initiated against the Promoters, which have been considered material by the Company in accordance with the Materiality Policy.

**(f) Other pending material litigations filed by the Promoters of the Company**

As on the date of this Draft Red Herring Prospectus, there are no such outstanding litigations initiated by the Promoters, which have been considered material by the Company in accordance with the Materiality Policy.

**D. LITIGATIONS INVOLVING THE GROUP COMPANIES WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY**

As on the date of this Draft Red Herring Prospectus, we do not have any Group Company.



#### **AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's trade payables as per the last Restated financial statements, to small scale undertakings and other creditors, as material dues for our Company.

As per Restated Financial Statements, the trade payables of our Company as on September 30, 2022 were Rs. 131.66 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds Rs. 6.58 lakhs as on September 30, 2022. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on January 12, 2023. As on September 30, 2022, there are 3 creditors to each of whom our Company owes amounts exceeding 5% of our Company's total trade payables and the aggregate outstanding dues to them being approximately Rs. 82.78 lakhs. The details pertaining to amounts due towards material creditors are available on the website of our Company. Further, based on the information available with the Company, there are 24 creditors, having an aggregate due amount of Rs. 29.73 lakhs which are registered under the Micro, Small and Medium Enterprises Development Act, 2006.

As on September 30, 2022, our Company owes amounts aggregating to Rs. 131.66 lakhs approximately towards 59 creditors. There are no disputes with such entities in relation to payments to be made to them.

#### **MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 171 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies required for its present business.

### I. Incorporation related Approvals:

Sr. No	Nature of Registration	Registration No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U29309PN2017PTC172718	Companies Act, 2013	Registrar of Companies, Central Registration Center	September 26, 2017	Valid till cancelled
2.	Fresh Certificate of Incorporation consequent upon conversion to Public Limited Company	U29309PN2017PLC172718	Companies Act, 2013	Registrar of Companies, Pune, Maharashtra	January 06, 2023	Valid till cancelled

### II. Issue related Approvals:

The following approvals have been obtained or will be obtained in connection with the Issue:

1. Our Board has authorised the Offer pursuant to its resolution dated January 07, 2023
2. Our Shareholders has authorised the Offer pursuant to the special resolution dated January 11, 2023
3. Our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on January 12, 2023
4. Our company has obtained In-principle approval dated [●] from the BSE to use the name of BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
5. The International Securities Identification Number (“ISIN”) of our Company is [●].

### III. Corporate/General Authorizations:

Sr. No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number(PAN)	AALCM3536H	Income Tax Act 1961	Commissioner of Income Tax	-	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	PNEM25318G	Income Tax Act 1961	Income Tax Department	September 27, 2017	Valid till cancelled
3.	GST Registration Certificate	27AALCM3536H1 ZA	Central Goods and Services Tax Act, 2017	Government of India	October 16, 2020	Valid till cancelled

4.	Certificate of Importer –Exporter Code (IEC)	AALCM3536H	Foreign Trade (Development & Regulation) Act, 1992	Jt. Director General of Foreign Trade	March 29, 2018	Valid till cancelled
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#### IV. Business Related Certifications:

Sr. No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration Certificate under Shops & Establishments Act (Registered Office)	1931000313052096	The Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017	Shop Inspector	April 24, 2019	Valid till Cancelled
2.	Udyam MSME Registration Certificate	UDYAM-MH-26-0004289	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprises, Government of India	August 03, 2020	Valid till Cancelled
3.	Certificate of Enrolment for Professional Tax	99123178354P	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Department of Goods and Service Tax, Maharashtra	April 10, 2018	Valid till Cancelled
4.	Professional Tax registration certificate	27951577470P	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Department of Goods and Service Tax, Maharashtra	-	Valid till Cancelled
5.	Certificate of Registration under Legal & Metrology Act (as Importer)	GOI/MH/2022/2495	Legal Metrology (Packaged Commodities), Rules 2011	Deputy Director Legal Metrology, Ministry of Consumer Affairs, Food and P.D., New Delhi	June 24, 2022	Valid till Cancelled
6.	Certificate of Recognition as a startup by the Department of Industrial Policy and Promotion.	DIPP18468	-	Ministry Of Commerce And Industry (Department for Promotion of Industry and Internal Trade)	March 21, 2018	Upto seven years and turnover does not exceed prescribed limits
7.	Authorised Economic Operator MSME Certificate (Importer & Exporter)	IN AALCM3536H1F223	Customs Act, 1962 and applicable CBIC circulars	Directorate of International Customs Central Board of Indirect Taxes and Customs, Ministry of Finance	September 30, 2022	Validity as per provisions of CBIC Circular No. 18/2021 dated 31.07.2021
8.	Extended Producer Responsibility – Authorization	B-29016(2380)/(EPR)/22/WM-III	E-Waste (Management) Rules, 2016	Central Pollution Control Board, Delhi	July 28, 2022	July 27, 2027

In addition to above, we also possess Equipment Type Approvals for wireless products imported by us, which is issued by WPC Wing, Department of Telecommunications, Government of India.






## V. Labour Related Licenses

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1	Registration Certificate for Employees Provident Fund	PUPUN170224 3000	Employees Provident Funds & Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation	February 26, 2018	Valid till Cancelled
2	Registration under Employees' State Insurance Corporation (ESIC)	330006089800 01099	Employee's State Insurance Act, 1948	Employees' State Insurance Corporation	March 03, 2018	Valid till Cancelled
3	Maharashtra Labour Welfare Board	PUN80030	Maharashtra Labour Welfare Fund Act Of 1953	Maharashtra Labour Welfare Board	-*	Valid till Cancelled

\*We are not in possession of Maharashtra Labour Welfare Board registration certificate, thus date of Issue is not traceable.

## VI. Intellectual Property related approvals: -

Below is the list of trademarks used by our Company along with their status of registration:-

Sr. No.	Brand Name/Logo/ Trademark	Class	Nature of Trademark	Trademark Owner/Applied by	Trade Mark registration Number / Application Number	Status
1.		09	Device Mark	Macfos Private Limited	5023992	Registered
2.		09	Device Mark	Macfos Private Limited	5023993	Objected
3.		09	Device Mark	Macfos Private Limited	4480992	Opposed
4.		09	Device Mark	Macfos Private Limited	5186791	Registered
5.	SMARTELEX	09	Word Mark	Macfos Private Limited	5186790	Objected
6.		09	Device Mark	Macfos Private Limited	5186789	Objected

7.	EASYMECH	09	Word Mark	Macfos Private Limited	5186788	Accepted & Advertised
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**VII.Approvals or Licenses pending to be applied**

1. Change of name in all the above approvals from “Macfos Private Limited” to “Macfos Limited”
2. Registration under the Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017 for our fulfillment centre (Tung Warehouse and Purbandar Warehouse)
3. Amendment in the existing registration certificate of the Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017 in respect of number of employees for the Registered Office.
4. Registration under the Contract Labour (Regulation & Abolition) Act, 1970

## OUR GROUP COMPANIES

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years & six months period and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated July 05, 2022 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions:-

- (i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR)Regulations 2018; and
- (ii) Where the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, none of the Companies has been identified as our Group Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### **Authority for the Offer:**

#### *Corporate Approvals*

- Our Board has authorised the Offer pursuant to its resolution dated January 07, 2023
- Our Shareholders has authorised the Offer pursuant to the special resolution dated January 11, 2023
- Our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on January 12, 2023
- Our Board has on January 19, 2023 approved the Draft Red Herring Prospectus for filing with BSE.

#### *Approvals from the Selling Shareholders*

Each of the selling shareholders have, severally and not jointly, confirmed and authorised the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

<b>Name of the Selling Shareholders</b>	<b>Date of Consent Letter</b>	<b>No. of Equity Shares held</b>	<b>No. of Equity Shares offered</b>
Jayesh Jain	12-Jan-2023	22,08,850	22,08,850
Binod Prasad	12-Jan-2023	22,08,850	39,700
Atul Maruti Dumbre	12-Jan-2023	22,08,850	39,750
Nileshkumar Purshottam Chavhan	12-Jan-2023	22,08,850	39,700

Each of the Selling Shareholders, severally and not jointly, confirm that it is in compliance with Regulation 8 of the SEBI ICDR Regulations and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

### **In-principle Approval:**

Our Company has received In-principal approval from BSE vide their letter dated [●] to use the name of BSE in the offer document for listing of the Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

### **Prohibition by the SEBI, the RBI or other Governmental Authorities:**

Our Company, Selling Shareholders, our Directors, our Promoters, Promoter Group, Directors, persons in control of our Company and companies or entities with which our Company's Directors are associated as Directors / Promoters / partners are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or Governmental Authority in any other jurisdiction or any other authority/court. The listing of any securities of our Company has never been refused at any time by any of the Stock Exchange in India. There are no violations of securities laws committed by them in the past or are pending against them.

We confirm that our Company, Promoters, Promoter Group, Selling Shareholders and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Selling Shareholders or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoters, nor Promoter Group, nor Selling Shareholders, nor any of our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding actions

initiated by SEBI against any of our directors, in the past five years.

- There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.
- Neither our Promoters, nor Promoter Group, nor Selling Shareholders, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, nor Promoter Group, nor Selling Shareholders, nor our Directors, are Wilful Defaulters or fraudulent borrower.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Red Herring Prospectus, there are no such significant beneficial owners in our Company.

### **Eligibility for the Offer:**

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Offer.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Offer in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post Offer paid up capital is not more than 10 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "**BSE SME**").

### **We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer will be 100% underwritten and that the BRLM to the Offer shall underwrite minimum 15% of the Total Offer Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 52 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Red Herring Prospectus/Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Red herring Prospectus/Prospectus.
4. In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE limited. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Offer**" beginning on page 53 of this Draft Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited dated [●] for establishing connectivity.
2. Our Company has a website i.e. [www.robui.in](http://www.robui.in)



- There has been no change in the promoters of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the below requirements/conditions so as to be eligible to be listed on the SME platform of BSE: -

- Our Company was incorporated as “Macfos Private Limited” on September 26, 2017 vide certificate of incorporation bearing CIN U29309PN2017PTC172718 under the provisions of the Companies Act, 2013 issue by Central Registration Centre, Registrar of Companies. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on December 28, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Macfos Private Limited” to “Macfos Limited” vide a fresh certificate of incorporation dated January 06, 2023 issued by the Registrar of Companies, Pune bearing CIN U29309PN2017PLC172718.
- As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of Rs. 883.54 Lakhs and the Post offer Capital will be of Rs. 883.54 Lakhs which is less than Rs. 25 Crores.
- The Net worth of our Company as per the latest Restated Financial Statements as on September 30, 2022 is Rs. 1207.78 lakhs.
- The Company confirms that it has track record of more than 3 years.
- Our Company has positive cash accruals (Earnings before depreciation and tax) from operations for at least any 2 (two) out of 3 (three) financial years preceding the date of filing of this Draft Red Herring Prospectus and the net worth of our Company is positive as per the restated financial statements.

(Rs. in Lacs)

Particulars	As on September 2022	March 31, 2022	March 31, 2021	March 31, 2020
Profit Before Tax	398.63	804.84	211.87	41.62
Add. Depreciation	20.33	38.75	43.64	43.00
Positive Cash Accruals (Earnings Before Depreciation and Tax)	418.96	843.59	255.51	84.63

- Our net tangible assets as on September 30, 2022 is Rs. 2573.03 Lakhs.
- Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the Company;
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
- The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER**

**DOCUMENT, THE BOOK RUNNING LEAD MERCHANT BANKER, HEM SECURITIES LIMITED 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 MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 19, 2023**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Pune in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	Eighty Jewellers Limited	11.07	41.00	April 13, 2022	42.00	0.49% [-9.51%]	-3.02% [-8.26%]	62.20% [-0.60%]
2.	Kesar India Limited	15.82	170.00	July 12, 2022	172.50	46.47% [10.11%]	32.94% [7.62%]	1.18% [12.73%]
3.	Cargotrans Maritime Limited	4.86	45	October 10, 2022	70	182.44% [5.25%]	152.22% [4.75%]	N.A.
4.	Cargosol Logistics Limited	7.56	28	October 10, 2022	42.4	201.79% [5.25%]	115.54% [4.75%]	N.A.
5.	Silicon Rental Solutions Limited	21.15	78	October 10, 2022	80	39.74% [5.25%]	96.79% [4.75%]	N.A.
6.	Concord Control Systems Limited	8.32	55	October 10, 2022	109.95	248.82% [5.25%]	314.55% [4.75%]	N.A.
7.	Lloyds Luxuries Limited	24.00	40	October 11, 2022	45.15	25.63% [6.15%]	29.75% [6.58%]	N.A.
8.	Vedant Asset Limited	3.00	40	October 12, 2022	65	44.25% [5.91%]	37.50% [4.32%]	N.A.
9.	Baheti Recycling Industries Limited	12.42	45	December 08, 2022	120	174.67% [-2.73%]	N.A.	N.A.
10.	Chaman Metallics Limited	24.21	38	January 16, 2023	68	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com). Issue Information from respective Prospectus.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			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%

2020-21	2 <sup>(1)</sup>	17.02	-	-	-	-	-	2	-	-	-	1	-	1
2021-22	6 <sup>(2)</sup>	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	11 <sup>(3)</sup>	144.30	-	-	-	5	4	1	-	-	-	2	-	1

- 1) *The scrip of Suratwwala Business Group Limited and Knowledge Marine & Engineering Works Limited was listed on August 13, 2020 and March 22, 2021 respectively.*
- 2) *The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively; and*
- 3) *The scrip of Cargotrans Maritime Limited, Cargosol Logistics Limited, Silicon Rental Solutions Limited, Concord Control Systems Limited, Lloyds Luxuries Limited and Vedant Asset Limited has not completed its 180th day from the date of listing and Baheti Recycling Industries Limited has not completed its 90th day from the date of listing. Also, Chaman Metallics Limited has not completed its 30<sup>th</sup> day from the date of Listing.*

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**Track Record of past issues handled by Hem Securities Limited:**

For details regarding track record of BRLM to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company, the directors, the selling shareholders and the Book Running Lead Manager:**

Our Company, our Directors, the Selling Shareholder and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website at [www.robu.in](http://www.robu.in) or any website of any affiliate of our Company, any of the Group Companies or any of the Selling Shareholder, would be doing so at his or her own risk. It is clarified that neither the Selling Shareholder, nor their affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Selling Shareholder in relation to itself and/or the Equity Shares offered by him through the Offer for Sale.

The BRLM accept no responsibility, save to the limited extent as provided in the agreement entered between the BRLM (Hem securities Limited) , our Company and selling shareholders of the Company on January 12, 2023 and the Underwriting Agreement dated [●] entered into between the Underwriters, Selling Shareholders 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, at collection centres or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Applications due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

**Disclaimer Clause of the Selling Shareholders**

The selling shareholder will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Red Herring Prospectus in relation to itself and its respective portion of the offered shares.

**Note:**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the selling shareholders, 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the selling shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Group Companies, the Selling Shareholder and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in Respect of Jurisdiction:**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Jaipur, Rajasthan 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 hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer for sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the BSE:**

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized 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 BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act:**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the

United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Draft Red Herring Prospectus is being filed with SME platform of BSE Ltd., P. J. Towers, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India.

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

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Pune, PCNTDA Green Building, Block A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune - 411044 Maharashtra

### **Listing:**

The Equity Shares offered through the Prospectus are proposed to be listed on the SME Platform of BSE. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer.

If the permission to deal in the Equity Shares is not granted by BSE Limited, our Company will forthwith repay, without interest, all monies received from the Applicants in pursuance of the Prospectus and each of the Selling Shareholder will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within Six (6) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

### **Impersonation:**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

### **Consents:**

Consents in writing of (a) Our Directors, Selling Shareholders, the Company Secretary & Compliance Officer, Chief Financial Officer, the Statutory Auditor, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker to the Offer (Sponsor Bank)\*, Legal Advisor to the Offer, Underwriter to the Offer\* and Market Maker to the Offer\* to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

*\*The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. KishorGujar& Associates, Chartered Accountants, Statutory Auditor and Peer Review Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated financial statements as included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

#### **Experts Opinion:**

Except for the reports in the section **“Financial Information of the Company”** and **“Statement of Special Tax Benefits”** on page 119 and page 73 from the Statutory Auditors, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

#### **Fees, Brokerage and Selling Commission payable:**

The total fees payable to the Book Running Lead Manager will be as per the (i) Book Running Lead Manager Agreement dated January 12, 2023 with the Book Running Lead Manager Hem Securities Limited and selling shareholders (ii) the Underwriting Agreement dated [●] with Underwriter and selling shareholders and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Prospectus until the Offer Closing Date.

#### **Fees Payable to the Registrar to the Offer:**

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Offer dated January 16, 2023 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send allotment advice by registered post/speed post.

#### **Particulars regarding Public or Rights Issues during the last five (5) years:**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash:**

For detailed description please refer to section titled **“Capital Structure”** beginning on page 56 of this Draft Red Herring Prospectus.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues:**

Since this is the first initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in last five (5) years.

#### **Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

#### **Performance vis-a-vis objects – Public/right issue of our Company:**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 56 our Company has not undertaken any previous public or rights issue.

#### **Performance vis- à-vis Objects: Last Issue of Subsidiaries/Promoters and Group Companies**

Our Company does not have any subsidiaries or listed promoters and none of our Group Companies have made any public issues, including rights issues to the public in the 5 years immediately preceding the date of This Draft Red Herring Prospectus.

#### **Option to Subscribe:**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares:**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

#### **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

#### **Outstanding Convertible Instruments:**

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

#### **Stock Market Data of the Equity Shares:**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

#### **Mechanism for Redressal of Investor Grievances:**

The agreement between the Registrar to the Offer and our Company and the Selling Shareholder dated \_\_\_\_\_ provides for retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the Offer 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 Applicant, ASBA Form number, Applicant’s DP ID, Client ID, PAN, address of applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Bidders who make the payment of Application Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and SEBI circular dated October 14, 2021 (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) and any amendment thereto, in relation to redressal of investor grievances through SCORES, prior to filing the Draft Red Herring Prospectus.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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, and subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the

concerned SCSB within 3 months of the date of listing of the Equity Shares. 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.

All grievances relating to Applications submitted with the Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Applicants shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Our Company has not received any investor complaint during the 3 years preceding the date of this Draft Red Herring Prospectus. There are no investor complaints in relation to our Company pending as on the date of this Draft Red Herring Prospectus. Our Group Company is not listed on any stock exchange.

Our Company, Selling Shareholder, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of any SCSB, Registered broker, Syndicate member, RTA or CDP including any defaults in complying with its obligations under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company:**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working 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 as expeditiously as possible.

Our Company has appointed Ms. Sagar Subhash Gulhane, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Ms. Sagar Subhash Gulhane**  
**Company Secretary & Compliance Officer**  
**Macfos Limited**

**Address:** S. No. 78/1, Dighi, Bhosari Alandi Road,  
Pune, Maharashtra, India, 411015.

**Tel. No.:** +91-20-68197600

**Email:** [cs@robu.in](mailto:cs@robu.in)

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

The Selling Shareholder has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of their respective portion of the Offered Shares.

Further, our Board has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For more information, see "Our Management" on page 107 of this Draft Red Herring Prospectus. Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

#### **Disposal of investor grievances by listed group companies and subsidiary**

As on the date of this Draft Red Herring Prospectus, our Group Companies are not listed on any stock exchange, and, therefore, there are no investor complaints pending against them. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have a listed subsidiary.

#### **Other confirmations**

No person connected with the Offer 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 Offer, except for fees or commission for services rendered in relation to the Offer.

#### **Purchase of Property:**

Other than as disclosed in Section "**Our Business**" beginning on page 84 there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.



Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**Capitalization of Reserves or Profits:**

Except as disclosed under section titled "*Capital Structure*" beginning on page 56 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

**Revaluation of Assets:**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

**Servicing Behavior:**

Except as stated in this Draft, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of our Company:**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "*Our Management*" beginning on page 107 and chapter titled "*Financial Information*" beginning on page 119 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any:**

Not Applicable

## **SECTION VIII: OFFER RELATED INFORMATION**

### **TERMS OF THE OFFER**

*The Equity Shares being Offered are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, 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 Offer. 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 Offer 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 Offer.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by Retail Individual 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 Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Bidders (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Offer and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.*

#### **The Offer**

The Offer comprises an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses amongst our Company, see “Objects of the Offer” on page 66.

#### **Authority for the Offer**

The present Public Offer of upto 23,28,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 07, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on January 11, 2023.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Offer, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, ‘**Main Provisions of Article of Association**’, beginning on page 236 of this Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details,

please refer to section titled *"Dividend Policy"* and *"Main Provisions of Article of Association"* beginning on page 118 and 236 respectively of this Draft Red Herring Prospectus.

### **Face Value and Offer Price**

The Equity Shares having a Face Value of Rs. 10.00 each are being offered in terms of this Draft Red Herring Prospectus at the price of Rs. [●] per Equity Share (including premium of Rs.[●] per share).

The Offer Price is determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Manager and is justified under section titled *"Basis for Offer Price"* beginning on page 68 of this Draft Red Herring Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled *"Main Provisions of the Articles of Association"* beginning on page 236 of this Draft Red Herring Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, we are in process to execute agreements with CDSL and NSDL.

### **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 BSE SME (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares 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.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be unblocked forthwith.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Jaipur, Rajasthan.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the 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, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## **Withdrawal of the Offer**

Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager through, the Registrar to the Offer, shall notify the SCSBs or the Sponsor Bank 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 Exchange on which Equity Shares are proposed to be listed. If the Offer is withdrawn after the designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with

an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

**Offer program:**

Event	Indicative Dates
Offer Opening Date**	[●]
Offer Closing Date***	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

\*\*Our Company and the Investor Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*\*Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, revision of the Price or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to the limitation of time available for uploading the Application Forms on the Offer Closing Date, Applicants are advised to submit their applications one (1) day prior to the Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Offer Closing Date, as is typically experienced in public Offer, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from 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 Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### **Minimum Subscription and Underwriting**

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Offer through this Offer document including devolvement of Underwriter within sixty days from the date of closure of the Offer, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "General Information - Underwriting" on page 52 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further offer of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Book Running Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled "*General Information - Details of the Market Making Arrangements for this Offer*" on page 53 of this Draft Red Herring Prospectus.

### **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 SME platform of BSE.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to

invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Offer.

#### **Application by Eligible NRI's, FPI's, VCF's, AIF's 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.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Offer Equity Shares and Promoters minimum contribution in the Offer as detailed under section titled "*Capital Structure*" beginning on page 56 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 236 of this Draft Red Herring Prospectus.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-offerssue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## OFFER STRUCTURE

This Offer 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 Offer paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall Offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the BSE SME i.e. SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the Offer**" and "**Offer Procedure**" on page 199 and 209 of this Draft Red Herring Prospectus.

### Offer Structure

Initial Public Offer of upto 23,28,000 Equity Shares of ₹ 10 each (the "**Equity Shares**") for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating upto ₹ [●] Lakhs ("**the Offer**") by the issuer Company (*the "Company"*).

The Offer comprises a reservation of upto [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("**the Market Maker Reservation Portion**") and Net Offer to Public of upto [●] Equity Shares of ₹ 10 each ("**the Net Offer**"). The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post Offer paid up equity share capital of the Company. The Offer is being made through the Book Building Process.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors/Bidders	Retail Individual Investors/Bidders
<b>Number of Equity Shares available for allocation</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
<b>Percentage of Offer Size available for allocation</b>	[●] of the Offer Size	Not more than 50% of the Net Offer 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 Offer less allocation to QIB Bidders and RIBs will be available for allocation.	Not less than 35% of the Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation.
<b>Basis of Allotment</b> <sup>(3)</sup>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual	Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see "Offer Procedure	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on proportionate basis. For details, see "Offer Procedure" beginning on page 209 of this Draft Red



Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors/Bidders	Retail Individual Investors/Bidders
		Funds receiving allocation as per (a) above.  Up to 60% of QIB Portion (of upto [●] 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	beginning on page 209 of this Draft Red Herring Prospectus.	Prospectus.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bidding</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process, Through Banks or by using UPI ID for payment

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- <sup>(1)</sup> Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- <sup>(2)</sup> In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- <sup>(3)</sup> Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with 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 Managers and the Designated Stock Exchange, subject to applicable laws.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “Offer Procedure” on page 209 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

### Withdrawal of the Offer

Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager through, the Registrar to the Offer, shall notify the SCSBs or the Sponsor Bank 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 Exchange on which Equity Shares are proposed to be listed. If the Offer is withdrawn after the designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

### Bid/ Offer Program

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

(1) Our Company and the selling shareholders in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

(2) Our Company and the Selling Shareholders, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Offer Period at the Application Centers mentioned in the Bid-Cum- Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Offer Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual bidders.
- A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual bidders, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## **OFFER PROCEDURE**

All Bidders should read the General Information Document for Investing in Public Offer prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public Offer of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Offer; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Bidders applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Draft Red Herring Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days.

Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Offer closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 500,000, shall use UPI. 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.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(1) of Chapter IX of SEBI (Offer of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID,**

*as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.*

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

### **Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[•]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[•]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a

system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Offer and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous 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 Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) andBSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

**MAXIMUM AND MINIMUM APPLICATION SIZE**



## 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

## 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pune Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Pune edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.

- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “*Offer Procedure*” beginning on page 209 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders,

where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion.

**Option to Subscribe in the Offer**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) working days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.

10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer 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 Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer 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 Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

## **BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

## **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FPI Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Offer or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

## **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of

the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance

Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as

amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Offer price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until



finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Bidders applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “Macfos Limited IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: — “Macfos Limited IPO – Anchor Account- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs

for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the StockExchange may be made available at the Bidding centres during the Bid/ Offer Period.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

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

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

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

### **Signing of Underwriting Agreement and Registering of Red Herring Prospectus/Prospectus with ROC**

- 1) Our company has entered into an Underwriting Agreement dated [●]
- 2) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the ROC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid/Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Offer period and withdraw their Bids until Bid/Offer Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Offer;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-Offer or post Offer related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **Submission of Bids**

- a) During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;

- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders),the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis.

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

##### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.



c. **For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. **ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Offer Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and

credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

#### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

## **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

## **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

## **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

## **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

**"Any person who—**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

## **Undertakings by Our Company**

We undertake as follows:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- if Allotment is not made within the prescribed timelines under applicable laws, the application monies will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within such period as may be prescribed under applicable law;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc. and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

#### **Undertakings by the Selling Shareholders**

Each of the Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer; and
- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges.

#### **Utilization of Offer Proceeds**

This Offer is a complete offer for sale, thus our Company will not be receiving any offer proceeds. Our Board, specifically confirms that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Agreement dated [●] between NSDL, the Company and the Registrar to the Offer;
- Agreement dated [●] between CDSL, the Company and the Registrar to the Offer;

The Company's equity shares bear an ISIN No. [●].

## 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 of India has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”) issued the FDI Policy, which with effect from October 15, 2020 consolidated, subsumed superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of and prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “Offer Procedure – Bids by Eligible NRIs” and “Offer Procedure – Bids by FPIs” on page 209.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the 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 of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

For further details, see “Offer Procedure” on page 209.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, 2018, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

**1. The Regulations contained in Table “F” in the Schedule I to the Companies Act, 2013, shall apply to the Company except in as far as otherwise expressly incorporated hereinafter.**

### INTERPRETATION

**2. (i) In these regulations—**

- a) **“The Act”** means the Companies Act, 2013.
- b) **“The seal”** means a rounded seal of the Company
- c) **“Articles”** means Articles of Association of the Company as originally framed or altered from time to time
- d) **“Beneficial Owner”** shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.
- e) **“Board” or “Board of Director”** means the Collective body of the Board of Directors of the Company.
- f) **“Chairman”** means the Chairman of the Board of the Directors of the Company.
- g) **“The Company”** means Macfos Limited
- h) **“Depositories Act, 1996”** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
- i) **“Depository”** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
- j) **“Directors”** mean the Directors for the time being of the Company.
- k) **“Dividend”** includes any interim dividend.
- l) **“Document”** means a document as defined in Section 2 (36) of the Companies Act, 2013.
- m) **“Equity Share Capital”**, with reference to any Company limited by shares, means all share capital which is not preference share capital;
- n) **“KMP”** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
- o) **“Managing Director”** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
- p) **“Month”** means Calendar month.
- q) **“Office”** means the registered office for the time being of the Company.
- r) **“Paid-up share capital”** or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
- s) **“Postal Ballot”** means voting by post or through any electronic mode.
- t) **“Proxy”** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
- u) **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
- v) **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.
- w) **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
- x) **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
- y) **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
- z) **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
- aa) **“Preference Share Capital”**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
  - (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
  - (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any

fixed scale, specified in the memorandum or articles of the Company;

In writing' and 'written' includes printing, lithography and other modes of representing or reproducing words in a visible form. '

(ii) Unless the context otherwise requires, words or expression 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.

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

### **Public Company**

"Public Company" within the meaning of Section 2(71) of The Companies Act, 2013 and amendment thereafter, and which by its articles,—

- i. is not a private company;
- ii. has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles ;

### **Share Capital**

1. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
2. 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

### **Issue of Sweat Equity Shares**

3. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

### **Issue of Debentures**

4. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

### **Issue of Share Certificates**

5.
  - 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 fifteen days (15) of the application for registration of transfer of 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 Rupees twenty for each certificate after the first.



- ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
  - iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - iv. 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.
6. 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.
  7. 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.
  8. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

#### **Power to pay Commission In connection with the Securities issued**

9.
  - 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.

#### **Variations of Shareholder's rights**

10.
  - 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.
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.

#### **Issue of Preference Shares**

12. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of Special 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.

#### **Further Issue of shares**

13. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
- (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
- (2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

### **Lien**

- 14.
- 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;
    - c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

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.
15. 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.
- 16.
- 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.
- 17.
- 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.

### **Joint Holdings**

18. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
- i. The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.
  - ii. The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - iii. On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
  - iv. Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
  - v. Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
- f)
- (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.
  - (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
- g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

### **Calls on shares**

- 19.
- 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 shares 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.
20. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 22.
- 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.
- 23.
- 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
  - iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

24. The Board—
- i. 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
  - ii. 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.
25. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.
- Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.
26. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.
27. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

### **Transfer of shares**

- 28.
- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
  - ii. Each share in the Company shall be distinguished by its appropriate number.
  - iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.
- 29.
- 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.
30. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-
- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - ii. any transfer of shares on which the Company has a lien.
  - iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
31. The Board shall decline to recognise any instrument of transfer unless—
- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.
- Provided that, transfer of shares in whatever lot shall not be refused.
- iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
  - iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;
  - v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
32. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time

period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay

33. 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

34. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

### **Register of Transfers**

35. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

### **Dematerialisation of Securities**

36. i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

- a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

- b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

- c. Securities in Depository to be in fungible form:-

- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

- d. Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

- e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

- f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

- ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

- iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

- iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

### **Transmission of shares**

- 37.
- 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.
- 38.
- 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.
- 39.
- 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.
40. 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.
41. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, certificate of Death or marriage, power of attorney or similar other documents.

### **Forfeiture of shares**

42. If a member fails to pay any call, or instalment 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 instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
43. The notice aforesaid shall—
- i. 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
  - ii. 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.
44. 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.
- 45.
- 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.
- 46.
- 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.
- 47.
- 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 transfer of the shares in favour of the person to whom the share is sold or disposed off;
  - 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.
48. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
49. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
50. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
51. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
52. 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.
53. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

**Initial payment not to preclude forfeiture**

54. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

### **Alteration of capital**

55. 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.
56. Subject to the provisions of section 61, the Company may, by ordinary resolution,—
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - iv. 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.

### **Conversion of Shares into Stock**

57. Where shares are converted into stock,—
- i. 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.

- ii. 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.
- iii. Such of the articles 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.

### **Reduction of Capital**

58. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- i. its share capital;
  - ii. any capital redemption reserve account; or
  - iii. Any share premium account.

### **Share Warrants**

59. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the



time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **Capitalisation of profits**

60.

- 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 bonus shares, 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.
- iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.

61.

- 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
  - b. generally to 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**

62. 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 Meeting**

63. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.

- 64.
- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.
  - iii. 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**

- 65.
- 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. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
  - iii. In any other case, the quorum shall be decided as under:
    - a. fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
    - b. thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
66. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
67. 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.
68. 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.
69. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
70. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

### **Demand for poll**

- 71.
- A. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
  - B. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

### **Time of taking poll**

- 72.
- i. A poll demanded on a question of adjournment shall be taken forthwith.

- ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

### **Adjournment of meeting**

- 73.
- 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**

74. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- i. on a show of hands, every member present in person shall have one vote; and
  - ii. 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.
75. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 76.
- 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.
77. 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.
78. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
79. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
80. 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.
- 81.
- 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.
82. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### **Casting Vote**

83. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

### **Representation of Body Corporate**

84. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

#### **Circulation of member's resolution**

85. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

#### **Resolution requiring special notice**

86. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

#### **Resolutions passed at adjourned meeting**

87. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

#### **Registration of resolutions and agreements**

88. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

#### **Minutes of proceedings of general meeting and of Board and other meetings**

- 89.
- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
  - ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
    - A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
    - B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
    - C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
    - D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
    - E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
    - F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
      - i. the names of the Directors present at the meetings, and
      - ii. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
  - iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
    - a. is or could reasonably be regarded, as defamatory of any person
    - b. is irrelevant or immaterial to the proceedings; or
    - c. in detrimental to the interests of the Company.
  - iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

#### **Minutes to be considered to be evidence**

90. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

#### **Publication of reports of proceeding of general meetings**

91. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

#### **Proxy**

92. 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.
93. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
94. 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**

95. The present directors of the Company shall be:

- i. Mr. Jayesh Jain
- ii. Mr. Nileshkumar Purushottam Chavhan
- iii. Mr. Atul Maruti Dumbre
- iv. Mr. Binod Prasad

96. The Directors need not hold any "Qualification Share(s)".

97. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.

- 98.
- 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.

99. The Board may pay all expenses incurred in getting up and registering the company.
100. 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.
101. 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.
102. 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.
103.
  - 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.

### **Retirement and Rotation of Directors**

104. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
105. The remaining Directors shall be appointed in accordance with the provisions of the Act.
106. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
107. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
108. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
109. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

### **Nominee Director**

110. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
111. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
112. The Nominee Directors so appointed shall hold the said office only so long as any money

only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

113. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.

114. Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

#### **Removal of Directors**

115. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.
116. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
117. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
118. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-
- a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
  - b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

119. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
120. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
121. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

122. Nothing in this section shall be taken-

- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of them termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
- b) as derogating from any power to remove a director under other provisions of this Act.

#### **Remuneration and sitting fees to Directors including Managing and whole time Directors**

123. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a) In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
- b) In connection with the business of the Company.

124. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

#### **Powers and duties of Directors:**

##### **Certain powers to be exercised by the Board only at meeting**

125.

- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
  - a. The power to make calls on shareholders in respect of money unpaid on their shares;
  - b. The Power to authorize buy-back of securities under Section 68 of the Act.
  - c. Power to issue securities, including debenture, whether in or outside India
  - d. The power to borrow moneys
  - e. The power to invest the funds of the Company,
  - f. Power to Grant loans or give guarantee or provide security in respect of loans
  - g. Power to approve financial statements and the Board's Report
  - h. Power to diversify the business of the Company
  - i. Power to approve amalgamation, merger or reconstruction
  - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
  - k. Powers to make political contributions;
  - l. Powers to appoint or remove key managerial personnel (KMP);
  - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - n. Powers to appoint internal auditors and secretarial auditor;
  - o. Powers to take note of the disclosure of director's interest and shareholding;
  - p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
  - q. Powers to invite or accept or renew public deposits and related matters;
  - r. Powers to review or change the terms and conditions of public deposit;
  - s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.



- ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

### **Restriction on powers of Board**

126.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :
  - a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
  - b) remit, or give time for the repayment of any debt, due by a Director;
  - c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
  - d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
  - e) contribute to *bona fide* charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.
- ii. Nothing contained in sub-clause (a) above shall affect:
  - a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
  - b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

127. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

### **General powers of the Company vested in Directors**

128. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

### **Specific powers given to Directors**

129. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:

- i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;
- ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
- iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
- vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
- vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;
- xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

- xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
- xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
- xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
- xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
- xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.
- xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

## **MANAGING DIRECTORS**

### **Power to appoint Managing or Whole-time Directors**

- 130.
- a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee

for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

- b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.
- c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

### **Proceedings of the Board**

- 131.
- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
132. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.
- 133.
- a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
  - b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
134. 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.
135. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 136.
- a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
  - b) 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.

### **Delegation of Powers of Board to Committee**

- 137.
- a) 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.
  - b) 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.
- 138.
- a) A committee may elect a Chairperson of its meetings.
  - b) 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.
- 139.
- a) A committee may meet and adjourn as it thinks fit.
  - b) 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.
140. 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.

141. 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**

142. Subject to the provisions of the Act,—

- a) 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;
- b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

143. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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**

144.

- a) The Board shall provide for the safe custody of the seal.
- b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board 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**

145. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

146. 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.

147.

- a) 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.
- b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

148.

- a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

149. 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.

150.

- a) 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.

b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

151. 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.

152. 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.

153. No dividend shall bear interest against the Company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

154. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

155. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

156. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

### **Accounts**

157.

a) 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.

b) 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.

### **Inspection of Statutory Documents of the Company:**

158. Minutes Books of General Meetings

a) The books containing the minutes of the proceedings of any general meeting of the Company shall;

i. be kept at the registered office of the Company, and

ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.

159. Register of charges:

a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.

- b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
- a. by any member or creditor without any payment of fees; or
  - b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

### **Audit**

- 160.
- a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
  - b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
  - c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
  - d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

### **Winding up**

161. Subject to the provisions of Chapter XX of the Act and rules made there under—
- 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.
  - iii. 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 others securities whereon there is any liability.

### **Indemnity**

162. 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 subject to the provisions of Chapter XX of the Act and rules made there under—

### **Secrecy**

- 163.
- a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.
  - b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 am and 5 pm on all Working Days from the date of this Draft Red Herring Prospectus until the Offer Closing Date.

#### **Material Contracts**

1. Offer Agreement dated January 12, 2023 between our Company, Selling Shareholders and the Book Running Lead Manager to the Offer.
2. Registrar Agreement dated January 16, 2023 executed between our Company, Selling Shareholders and the Registrar to the Offer.
3. Cash escrow and sponsor bank agreement dated [●] entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members and the Banker(s) to the Offer
4. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
5. Share escrow agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent
6. Underwriting agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters.
7. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company and the Selling Shareholders.
8. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Offer.
9. Tripartite Agreement dated [●] among NSDL, the Company and the Registrar to the Offer.

#### **Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Certificate of Incorporation dated September 26, 2017 issued by Central Registration Centre, Registrar of Companies.
3. Fresh Certificate of Incorporation dated January 06, 2023 issued by the Registrar of Companies, Pune, Maharashtra consequent upon Conversion of the Company to Public Company.
4. Resolution of the Board of Directors dated January 07, 2023, in relation to the Offer and other related matters.
5. Copy of Shareholder's Resolution dated January 11, 2023 authorizing the Offer and other related matters.
6. Copies of Audited Financial Statements of our Company for the six months period ended September 30, 2022 and period ended March 31 2022, March 31, 2021 and March 31, 2020.
7. Statutory Auditors Report dated January 11, 2023 on the Restated Financial Statements for the six months period ended September 30, 2022 and financial years ended March 31 2022, March 31, 2021 and March 31, 2020.
8. Copy of the Statement of Tax Benefits dated January 11, 2023 from the Statutory Auditor.
9. Consent letters each dated January 12, 2023 from the Selling Shareholders in relation to the Offer for Sale
10. Consents of the Book Running Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Market Maker, Underwriter, Banker to the Offer/ Sponsor Bank, Refund Banks, Public Offer Account Bank, Statutory Auditors of the Company, Bankers to our Company, Promoters, Directors, Selling Shareholders, Company Secretary and Compliance Officer and Chief Financial Officer, to act in their respective capacities;.
11. Certificate on KPI's issued by our statutory auditors namely Kishor Gurjar & Associates. Chartered Accountants dated January 11, 2023.
12. Board Resolution dated January 19, 2023 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
13. Due Diligence Certificate from Book Running Lead Manager dated January 19, 2023.
14. Approval from BSE vide letter dated [●] to use the name of BSE in the Red Herring Prospectus & Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Ltd.



## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Name & Designation	Signature
Atul Maruti Dumbre Managing Director DIN:07938802	Sd/-

Date: January 19, 2023

Place: Pune, Maharashtra

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR & CFO OF OUR COMPANY:

Name & Designation	Signature
Binod Prasad Whole Time Director & CFO DIN:07938828	Sd/-

Date: January 19, 2023

Place: Pune, Maharashtra

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Name & Designation	Signature
Nileshkumar Purshottam Chavhan Whole Time Director DIN:07936897	Sd/-

Date: January 19, 2023

Place: Pune, Maharashtra

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Name & Designation	Signature
Ankit Rathi Independent Director DIN: 08456577	Sd/-

Date: January 19, 2023

Place: Mumbai, Maharashtra

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

Name & Designation	Signature
Sagar Subhash Gulhane Company Secretary & Compliance Officer (M No. A67610)	Sd/-

Date: January 19, 2023

Place: Pune, Maharashtra

## DECLARATION BY SELLING SHAREHOLDER

I, Jayesh Jain, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

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Name: Jayesh Jain  
Selling Shareholder

Date: January 19, 2023  
Place: Pune

## DECLARATION BY SELLING SHAREHOLDER

I, Atul Maruti Dumbre, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

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Name: Atul Maruti Dumbre  
Selling Shareholder

Date: January 19, 2023  
Place: Pune

## **DECLARATION BY SELLING SHAREHOLDER**

I, Binod Prasad, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

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Name: Binod Prasad  
Selling Shareholder

Date: January 19, 2023  
Place: Pune



## DECLARATION BY SELLING SHAREHOLDER

I, **Nileshkumar Purshottam Chavhan**, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

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Name: Nileshkumar Purshottam Chavhan  
Selling Shareholder

Date: January 19, 2023

Place: Pune