*[Please scan this QR Code to view the Red Herring Prospectus]*

***Red Herring Prospectus***
***March 16, 2024***
***Please read Section 32 of Companies Act, 2013***
***(**This Red Herring Prospectus will be updated upon filing with the RoC**)***
***100% Book Built Issue***

VRUDDHI ENGINEERING WORKS LIMITED

**VRUDDHI ENGINEERING WORKS LIMITED**
**Corporate Identification Number: U28246MH2020PLC348853**

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON | EMAIL |
|---|---|---|---|
| Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West - 400056, Mumbai, Maharashtra, India | Office No 602, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West - 400056, Mumbai, Maharashtra, India | Kishori Jaysingh Sodha, Company Secretary & Compliance Officer | cs@vruddhicouplers.com |

| TELEPHONE / MOBILE NO. | WEBSITE |
|---|---|
| +91- 022 26128915 | www.vruddhicouplers.com |

**OUR PROMOTER: BINDI KUNAL MEHTA**

| Type | Fresh Issue Size | OFS size (by no. of shares or by amount in Rs) | Total Issue Size | Eligibility |
|---|---|---|---|---|
| Fresh Issue | Up to [●] Equity shares aggregating up to ₹ 476 Lakhs | N.A. | Up to ₹ 476 Lakhs | The Issue is being made pursuant to Regulation 229(1) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹1000.00 Lakhs. |

**DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Floor Price, Cap Price and Issue Price determined and justified by our Company in consultation with the Book Running Lead Manager as stated in ***"Basis for Issue Price"*** on page 75 of this Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India ***("SEBI")*** nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled ***"Risk Factors"*** beginning on page 29 of this Red Herring Prospectus.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the SME Platform of Bombay Stock Exchange of India Limited ('BSE SME'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received "in-principle" approval from the BSE for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated November 10,2023. For the purpose of the Issue, the Designated Stock Exchange will be Bombay Stock Exchange of India Limited.

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **FEDEX SECURITIES PRIVATE LIMITED**<br>B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India<br>**Tel No.**: +91 81049 85249<br>**E-mail**: mb@fedsec.in<br>**Website**: www.fedsec.in<br>**Contact Person**: Saipan Sanghvi<br>**SEBI Registration Number**: INM000010163<br>**Investor Grievance E-Mail:** mb@fedsec.in | **BIGSHARE SERVICES PRIVATE LIMITED**<br>S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India<br>**Tel No:** +91 022 6263 8200<br>**Fax No:** +91 22 6263 8299<br>**E-mail Id**: ipo@bigshareonline.com<br>**Website:** www.bigshareonline.com<br>**Contact Person:** Mr. Babu Rapheal C.<br>**SEBI Registration No**: MB/INR000001385 |

**ISSUE PROGRAMME**

| ISSUE OPENS ON: Tuesday, March 26, 2024 | ISSUE CLOSES ON: Thursday, March 28, 2024 |
|---|---|

**Since 60% of the QIB Portion is less than ₹ 200.00 lakhs, which is less than the minimum investment by an Anchor Investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors.*

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

***Red Herring Prospectus***
***March 16, 2024***
***Please read Section 32 of Companies Act, 2013***
***(****This Red Herring Prospectus will be updated upon filing with the RoC)*
***100% Book Built Issue***

VRUDDHI ENGINEERING WORKS LIMITED

# VRUDDHI ENGINEERING WORKS LIMITED

Our Company was incorporated in Mumbai, Maharashtra as *"Vruddhi Steel Private Limited"*, a private limited company under the Companies Act, 2013, pursuant vide certificate of incorporation dated October 27, 2020 issued by Assistant Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 26, 2022, and consequently, the name of our Company was changed to *"Vruddhi Steel Limited"*, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated January 05, 2023, was issued by the RoC to our Company. Further, the name of our Company was changed to *"Vruddhi Engineering Works Limited"* pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 29, 2023 and a fresh certificate of incorporation dated June 20, 2023 issued by the Registrar of Companies, Mumbai. For further details, please refer to the chapter titled ***"History and Certain Corporate Matters"*** beginning on page 122 of this Red Herring Prospectus.


**Corporate Identification Number:** U28246MH2020PLC348853
**Registered Office:** Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India.
**Tel No.**: +91 022 26128915; **Email:** cs@vruddhicouplers.com; **Website:** www.vruddhicouplers.com
**Contact Person:** Kishori Jaysingh Sodha, Company Secretary & Compliance Officer


**OUR PROMOTER: BINDI KUNAL MEHTA**

## THE ISSUE

**INITIAL PUBLIC ISSUE* OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF VRUDDHI ENGINEERING WORKS LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE), AGGREGATING ₹ 476.00 LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ [●] EACH AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 206 OF THIS RED HERRING PROSPECTUS.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MUMBAI EDITION OF NAVSHAKTI, A REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MUMBAI WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE ("BSE SME ") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE**

****SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT***

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

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

The Issue 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 Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"). Further, 5% of the QIB 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders are required to mandatorily utilize 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. For details, see ***"Issue Procedure"*** beginning on page 218 of this Red Herring Prospectus.

## ELIGIBLE INVESTORS

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, please refer to chapter titled **"*Issue Procedure*"** on page 218 of this Red Herring Prospectus.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Floor Price, Cap Price and Issue Price determined and justified by our Company in consultation with the Book Running Lead Manager as stated in ***"Basis for Issue Price"*** on page 75 of this Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India ***("SEBI")*** nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled ***"Risk Factors"*** beginning on page 29 of this Red Herring Prospectus.

## COMPANY'S ABSOLUTE RESPONSIBILITY

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

## LISTING

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

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|

| | |
|---|---|
| **FEDEX SECURITIES PRIVATE LIMITED**<br>B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East],<br>Mumbai - 400 057, Maharashtra, India<br>**Tel No.**: +91 81049 85249<br>**E-mail**: mb@fedsec.in<br>**Website**: www.fedsec.in<br>**Contact Person**: Saipan Sanghvi<br>**SEBI Registration Number**: INM000010163<br>**Investor Grievance E-Mail:** mb@fedsec.in | **BIGSHARE SERVICES PRIVATE LIMITED**<br>S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India<br>**Tel No:** +91 022 6263 8200<br>**Fax No:** +91 22 6263 8299<br>**E-mail Id**: ipo@bigshareonline.com<br>**Website:** www.bigshareonline.com<br>**Contact Person:** Mr. Babu Rapheal C.<br>**SEBI Registration No**: MB/INR000001385 |

| ISSUE PROGRAMME | |
|---|---|
| ISSUE OPENS ON: | **Tuesday, March 26, 2024** |
| ISSUE CLOSES ON: | **Thursday, March 28, 2024** |

**Since 60% of the QIB Portion is less than ₹ 200.00 lakhs, which is less than the minimum investment by an Anchor Investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors.*

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

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## CHAPTER - I – GENERAL

## DEFINITION AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled ***"Statement of Tax Benefits", "Restated Financial Statement", "Outstanding Litigations and Material Developments", "Key Industry Regulations and Policies"*** *and* ***"Main Provisions of Articles of Association"*** on pages **81**, **141**, **183**, **237** and **237** respectively of this Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective chapters.

### CONVENTIONAL OR GENERAL TERMS

| Term | Description |
|---|---|
| "Vruddhi Engineering Works Limited", "Vruddhi", "We" or "us" or "Our Company" or "the Issuer" | Unless the context otherwise indicates or implies refers to Vruddhi Engineering Works Limited a public limited company incorporated under the Companies Act, 2013 with its registered office at, Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India. |
| Promoter(s) / Core Promoter(s) | Bindi Kunal Mehta. |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled ***"Our Promoter and Promoter Group"*** beginning on page **2** of this Red Herring Prospectus |
| "you", "your" or "yours" | Prospective Investors in this Issue. |

### CORPORATE RELATED TERMS

| Term | Description |
|---|---|
| AOA / Articles / Articles of Association | The Articles of Association of Vruddhi Engineering Works Limited, as amended from time to time |
| Auditors / Statutory Auditors / Peer Review Auditor | The Statutory Auditor and Peer Review Auditor of our Company, being M/s. Maheshwari & Co., Chartered Accountants (Membership Number: 075872) and Peer Review Number: 014967 |
| Audit Committee | The Audit Committee of our Board, as described in the chapter titled **"*Our Management*"** beginning on page **121** of this Red Herring Prospectus |
| Board / Board of Directors / Our Board | The Board of Directors of our Company, including all duly constituted from time to time including any Committees thereof as the context may refer to the chapter titled ***"Our Management"*** beginning on page **121** of this Red Herring Prospectus |
| Business Transfer Agreement | The Business Transfer Agreement being agreement entered by and between M/s Kosmo Ventures, a proprietary concern of our Promoter and our Company dated January 31, 2023. |
| Chairman/ Chairperson | The Chairman of Board of Directors of our Company being Bindi Kunal Mehta. |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company, being Hiral Rushang Gandhi. |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company, being Kishori Jaysingh Sodha. |
| Companies Act / Act | The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable. |
| Corporate Identification Number (CIN) | U28246MH2020PLC348853 |
| Corporate Office | Office No. 602, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India. |
| Director(s) | Director(s) on the Board of Vruddhi Engineering Works Limited as appointed from time to time, unless otherwise specified |
| DIN | Directors Identification Number |

| Term | Description |
|---|---|
| Equity Shares/Shares | Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof |
| Equity Shareholders / Shareholders | Persons /entities holding Equity Shares of our Company |
| Executive Director | An Executive Director of our Company, as appointed from time to time |
| Group Companies | Companies (other than Subsidiaries) with which there were Related Party Transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in the chapter titled **"*Our Group Companies*"** beginning on page **138** of this Red Herring Prospectus |
| Godown | Gala No.1 Ground Floor, Gajanan Nagar, Sant Mirabai Road, Ghartanpada No. 2, Near Snehal Tower, Dahisar, Mumbai-400068. |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| Independent Director | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to the chapter titled **"*Our Management*"** beginning on page **121** of this Red Herring Prospectus |
| ISIN | International Securities Identification Number is INE0OMZ01013. |
| Key Management Personnel /KMP | Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to the chapter titled ***"Our Management"*** beginning on page **121** of this Red Herring Prospectus |
| LLP | Limited Liability Partnership incorporated under Limited Liability Partnership Act, 2008. |
| Managing Director | Managing director of our Company, Bindi Kunal Mehta. For details, please refer to the chapter titled ***"Our Management"*** beginning on page **121** of this Red Herring Prospectus |
| Market maker | The market maker of our Company being Rikhav Securities Limited. |
| Materiality Policy | The policy adopted by our Board on May 10, 2023, for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations |
| MoA / Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time |
| Nomination & Remuneration Committee | The Nomination and Remuneration Committee of our Board described in the chapter titled **"*Our Management*"** beginning on page **121** of this Red Herring Prospectus |
| NRIs / Non-Resident Indian | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| Promoter or our Promoter | Promoter of our Company being Bindi Kunal Mehta for further details, please refer to the chapter titled ***"Our Promoter and Promoter Group"*** beginning on page **135** of this 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 chapter ***"Our Promoter and Promoter Group"*** beginning on page **135** of this Red Herring Prospectus |
| Proprietorship | The Proprietorship concern, being M/s. Kosmo Ventures. |
| RBI Act | The Reserve Bank of India Act, 1934 as amended from time to time |
| Registered Office | Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India |
| Registrar of Companies / ROC / RoC | 5th Floor, 100, Everest Building, Netaji Subhash Road, Marine Drive, Mumbai - 400002, Maharashtra |

| Term | Description |
|---|---|
| Restated Financial Statements | The Restated Audited Financial Statements of our Company for the six months period ended September 30, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in the chapter titled **"*Restated Financial Statements*"** beginning on page **141** of this Red Herring Prospectus |
| 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 |
| 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 | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions, notifications and clarifications issued by SEBI from time to time. |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. |
| SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR) | The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations or SEBI (SAST) Regulations/ SEBI Takeover Regulations/ Takeover Regulations/ Takeover Code | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| SEBI (PFUTP) Regulations/ PFUTP Regulations | Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 |
| Shareholders/ Members | Holders of equity shares of our Company from time to time |
| Stock Exchange | Unless the context requires otherwise, refers to BSE Limited |
| Subscribers to MOA | Initial Subscribers to MOA & AOA being Bindi Kunal Mehta and Vedant Mukesh Mehta |
| Senior Management | Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, described in ***"Our Management"*** on page 121 of this Red Herring Prospectus. |
| Stakeholders' Relationship Committee | The Stakeholders Relationship Committee of the Board of Directors constituted as the Company's Stakeholders' Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled **"*Our Management*"** beginning on page **121** of this Red Herring Prospectus. |
| Whole-time Director(s) | Whole-time director(s) of our Company |

**ISSUE RELATED TERMS**

| Term | Description |
|---|---|
| Abridged Prospectus | Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Bid cum Application Forms |
| Acknowledgement Slip | The acknowledgement slips or document issued by the Designated Intermediary to an Bidder as proof of having accepted the Bid cum Application Form |
| Allot / Allotment / Allotted / Allotment of Equity Shares | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Bidders |
| Allottee(s) | A successful Bidder to whom the Equity Shares are being allotted |
| Allotment Advice | Note or advice or intimation of Allotment sent to each successful Bidder who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |

| Term | Description |
|---|---|
| Allotment Date | Date on which the Allotment is made |
| 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. |
| Bidder/ Investor | Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only. |
| Application Form | The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Red Herring Prospectus. |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Red Herring Prospectus |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism. |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism. |
| ASBA Application Location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad. |
| ASBA Bidder | Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process. |
| 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 Company | ICICI Bank and Canara Bank |
| Bankers to the Issue/Public Issue Bank/ Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Yes Bank Limited. |
| Bankers to the Issue Agreement | Banker to the Issue Agreement entered on January 08, 2024 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Banker to the Issue / Sponsor Bank for collection of the Application Amount on the terms and conditions thereof. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in the chapter titled ***"Issue Procedure"*** beginning on page **209** of this Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/ Issue Period by a Bidder pursuant to submission of the ASBA Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the 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 Issue. |
| Bid Lot | 2,000 equity shares and in multiples of 2,000 equity shares thereafter. |
| Bid/ Issue Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being March 26, 2024, which shall be notified in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai Edition of Regional newspaper Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located 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 |

| Term | Description |
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| | terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations |
| Bid/ Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will accept any Bids, being March 21, 2024, which shall be notified in in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), , all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper), and Mumbai Edition of Regional newspaper Navsakhti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located) 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.<br><br>Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. |
| Bid/ Issue Period | The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders. |
| Bidder/ Applicant | Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidders. |
| 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 Issue is being made. |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Issue in this case being Fedex Securities Private Limited |
| 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 | Any day on which commercial banks are open for the business |
| CAN /Confirmation of Allocation Note | A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange |
| Cap Price | The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted. |
| Client ID | Client Identification Number of the Beneficiary Account |
| Collection Centers | Broker Centers notified by BSE Limited where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website of the SME platform of BSE Limited. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Collecting Registrar and Share Transfer Agent | Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches/ Controlling Branches of the SCSBs | Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and BSE Limited and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |

| Term | Description |
|---|---|
| Cut Off Price | The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Covid-19 | The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation. |
| Demographic Details | The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable). |
| Depositories | National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time |
| Depository Participant/DP | A depository participant registered with SEBI under the Depositories Act. |
| Designated CDP Locations | Such centre of the CDPs where applicant can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of BSE India |
| Designated Date | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue |
| 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 Depositary Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity) |
| Designated Market Maker | Rikhav Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations |
| Designated RTA Locations | Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the BSE India |
| Designated SCSB Branches | Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 |
| Designated Stock Exchange | SME platform of BSE Limited ("BSE SME") |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act, 1996 |
| DP ID | Depository Participant's Identity number |
| Red Herring Prospectus | This Red Herring Prospectus issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations. |
| Escrow Account(s) | Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount. |

| Term | Description |
|---|---|
| Escrow Agreement | An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Book Running Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof. |
| Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being Yes Bank Limited. |
| 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 Bidder/ Applicant/ Bidders | 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 Issue Price will be finalized and below which no Bids will be accepted |
| Foreign Portfolio Investor / FPIs | A Foreign Portfolio Investor who has been registered pursuant to the 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 |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000 |
| 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) |
| General Corporate Purpose | Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the Issue document. |
| General Information Document/ GID | The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended from time to time notified by SEBI. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM |
| Issue / Issue Size / Public Issue / IPO | Initial Public Issue of [ ● ] Equity Shares of face value of ₹ 10.00 each of our Company for cash at a price of ₹ [ ● ] per Equity Share (including a share premium of ₹ [ ● ] per Equity Share) aggregating to ₹ 476.00 lakhs. |
| Issue Agreement | The agreement dated July 10, 2023 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue |
| Issue Price | ₹ [ ● ] per Equity Share (Including Premium of ₹ [ ● ] per share) |
| Issue Proceeds | The proceeds from the Issue based on the total number of equity shares allotted under the issue. |
| Listing Agreement | The Listing Agreement to be signed between our Company and SME Platform of BSE Limited (BSE SME). |
| Lot Size | 2,000 Equity shares and in multiples thereof |
| Mobile App(s) | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 |
| 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 SME Platform of BSE. In our case, Rikhav Securities Limited is the sole Market Marker |
| Market Making Agreement | The Market Making Agreement dated October 31, 2023 between our Company, the Book Running Lead Manager and Market Maker. |

| Term | Description |
|---|---|
| Market Maker Reservation Portion | The reserved portion of upto [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at an issue price of ₹ [ ● ] /- per Equity Share aggregating upto ₹ 25.20 lakhs for the Market Maker in this Issue |
| MSME | Micro Small and Medium Enterprises |
| Mutual Fund(s) | Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Mutual Fund Portion | 5% of the 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 Issue Price. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of upto [●] Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹ [ ● ] /- per Equity Share aggregating up to ₹ [ ● ] lakhs |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled ***"Objects of the Issue"*** beginning on page **67** of this Red Herring Prospectus. |
| Non-Institutional Bidders /Non-Institutional Investor / NIB/ NII | All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000. |
| Non-Institutional Portion | The portion of the Issue being not less than 15% of the Issue, 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 Issue Price. |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI. |
| Offer | The initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹476.00 lakhs |
| Overseas Corporate Body/ OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |
| Other Investor(s) | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ 66 and the maximum price (Cap Price) of ₹ 70 and includes revisions thereof. The Price Band as decided by our Company in consultation with the BRLM and will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Issue Price. |
| Prospectus | The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, inter alia, the Issue Price will be determined before filing the Prospectus with RoC |
| Public Issue Account | The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts. |
| QIB Category/ QIB Portion | The portion of the Net Issue being not more than 50% of the Net Issue, consisting of upto [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs on a proportionate basis, subject to valid Bids being received at or above the Issue Price.<br>*Since 60% of the QIB Portion is less than ₹ 200.00 lakhs, which is less than the minimum investment by an Anchor Investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors.* |
| QIBs or Qualified Institutional Buyers | Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations. |

| Term | Description |
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| Red Herring Prospectus / RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto. |
| Refund through electronic transfer of funds | Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable |
| Refund Bank / Refund Banker | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Yes Bank Limited. |
| Registered Brokers | Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of BSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 |
| Registrar Agreement | The agreement dated July 10, 2023 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue |
| Registrar and Share Transfer Agents 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 |
| Registrar to the Issue/Registrar | Registrar to the Issue being is Bigshare Services Private Limited. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Reservation Portion | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018. |
| Resident Indian | A person resident in India, as defined under FEMA |
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Retail Portion | The portion of the Issue being not less than 35% of the Net Issue, consisting of upto [●] Equity Shares, available for allocation to Retail Individual Bidders. |
| Revision Form | The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date. |
| 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. |
| SME | Small and medium sized enterprises |
| SME Platform of BSE / SME Exchange / Stock Exchange / BSE SME | The SME Platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations. |
| Self-Certified Syndicate Bank(s) / SCSBs | The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time. In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId= |

| Term | Description |
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| | 35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time |
| Sponsor Bank | Sponsor Bank being Yes Bank Limited being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars. |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| Stock Exchanges | SME platform of BSE Limited (BSE SME). |
| Sub Syndicate Member | A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue. |
| Syndicate ASBA Bidding Location | Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| TRS / Transaction Registration Slip | The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form. |
| Underwriter | Fedex Securities Private Limited |
| Underwriting Agreement | The Agreement dated October 31, 2023 entered between the Underwriter and our Company |
| UPI | Unified payment Interface, which is an instant payment mechanism, developed by NPCI |
| UPI Bidder | Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity) |
| UPI Circulars | SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular No SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/ dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard. |
| UPI ID | ID Created on the UPI for single-window mobile payment system developed by NPCI |

| Term | Description |
|---|---|
| UPI PIN | Password to authenticate UPI transaction |
| UPI Mandate Request | A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment<br>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 Investors Bidding 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time |
| UPI Mechanism | The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue |
| U.S Securities Act | U.S Securities Act of 1933, as amended |
| Venture Capital Fund/ VCF | 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 or a fraudulent borrower | An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (lll) of the SEBI ICDR Regulations. |
| Working Days | 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–<br>(a) announcement of Price Band; and<br>(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;<br>(c) the time period between the Issue 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 /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS**

| Term | Description |
|---|---|
| 3PL | Third Party Logistics |
| ACC | Advanced Chemistry Cell |
| AHF | Affordable Housing Fund |
| BSFI | Banking, financial services and insurance |
| BTA | Business Transfer Agreement |
| CAGR | Compound annual growth rate |
| CAPEX | Capital Expenditure |
| CBRE | Coldwell Banker Richard Ellis |
| CPI | Consumer Price Index |
| CSR | Corporate Social Responsibility |
| DPIIT | Department for Promotion of Industry and Internal Trade |
| FDI | Foreign Direct Investment |
| FPI | Foreign Portfolio Investment |
| FTAs | Free Trade Agreements |
| FY | Financial Year |
| G-secs | Government Securities |
| GI | Geographical Indication |
| GDP | Gross Domestic Product |

| Term | Description |
|---|---|
| GST | Goods and Services Tax |
| HAM | Hybrid Annuity Model |
| ICI | Index of Eight Core Industries |
| ICRA | Investment Information and Credit Rating Agency |
| InvIT | Infrastructure Investment Trust |
| ISO | International Organization for Standardization |
| IT | Information Technology |
| IWT | Inland Waterway Terminal |
| J&K | Jammu & Kashmir |
| Km | Kilometre |
| MFC | Multifunctional Complexes |
| MITRA | Mega Investment Textiles Parks |
| MMR | Mumbai Metropolitan Region |
| MSME | Micro, Small and Medium Enterprises |
| MoSPI | Ministry of Statistics & Programme Implementation |
| MoU | Memorandum of Understanding |
| MPA | Megapascals |
| Msf | Thousand Square Feet |
| MS | Mild Steel |
| MT | Metric Tonnes |
| MTPA | Metric Tonnes Per Annum |
| NABL | National Accreditation Board for Testing and Calibration Laboratories |
| NHAI | National Highways Authority of India |
| NHB | National Housing Bank |
| NIP | National Infrastructure Pipeline |
| NRI | Non-Resident Individual |
| ODOPs | One District, One Product |
| PE-VC | Private Equity-Venture Capital |
| PMAY | Pradhan Mantri Awas Yojna scheme |
| PPP | Public-Private Partnership |
| PLI | Productivity Linked Incentive |
| RBI | Reserve Bank of India |
| R&D | Research and Development |
| RCC | Reinforced Cement Concrete |
| REIT | Real Estate Investment Trust |
| RTS | Rooftop Solar |
| SEBI | Securities and Exchange Board of India |
| SEZ | Special Economic Zone |
| SME | Small and medium-sized enterprises |
| Sq. ft | Square feet |
| TMT bars | Thermo Mechanically Treated Bars |
| UAE | United Arab Emirate |
| UASL | United Ackreditering Services Limited |
| UIDF | Urban Infrastructure Development Fund |
| UIN | Unique Identification number |

| Term | Description |
|---|---|
| UK | United Kingdom |
| US | United States |
| US$ | United States Dollar |
| UTS | Ultimate Tensile Strength |
| WPI | Wholesale Price Index |
| YoY | Year on Year |

**CONVENTIONAL TERMS & ABBREVIATIONS**

| Term | Description |
|---|---|
| A/c | Account |
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations |
| AS / Accounting Standards | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| Bn | Billion |
| CAGR | Compounded Annual Growth Rate |
| CARO | Companies (Auditor's Report) Order, 2016, as amended |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CGST | Central GST |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| COPRA | The Consumer Protection Act, 1986 |
| Companies Act | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder |
| Consolidated FDI Policy | The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| Contract Act | The Indian Contract Act, 1872 |
| CSR | Corporate Social Responsibility |
| CY | Calendar Year |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP | Depository Participant |
| DP ID | Depository Participant's identity number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| Electricity Act | The Electricity Act, 2003 |
| EPFO | Employees' Provident Fund Organization |

| Term | Description |
|---|---|
| EPF Act | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | The Employees' State Insurance Act, 1948 |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| ESPS | Employee Stock Purchase Scheme |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign Direct Investment |
| FEMA Act/ FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto |
| FII(s) | Foreign Institutional Investors as defined under SEBI FPI Regulations |
| Financial Year / Fiscal Year / FY | Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year |
| FIPB | Foreign Investment Promotion Board |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GDP | Gross Domestic Product |
| GIR Number | General Index Registry Number |
| GoI/Government | Government of India |
| Gratuity Act | The Payment of Gratuity Act, 1972 |
| GST Act | The Central Goods and Services Tax Act, 2017 |
| GST | Goods and Services Tax |
| GSTIN | GST Identification Number |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual |
| IBEF | India Brand Equity Foundation |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IEC | Import Export Code |
| IEM | Industrial Entrepreneurs Memorandum |
| IFRS | International Financial Reporting Standards |
| Rs. / Rupees / INR / ₹ | Indian Rupees |
| IGST | Integrated GST |
| IT Act | Income-tax Act, 1961 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. |
| IPO | Initial Public Offering |
| KMP | Key Managerial Personnel |
| Ltd. | Limited |
| BRLM | Book Running Lead Manager |
| IT Act | Income-tax Act, 1961 |
| IT Rules | Income Tax Rules, 1962 |
| Kms | Kilometres |
| LC | Letter of Credit |
| LIBOR | London Interbank Offered Rate |

| Term | Description |
|---|---|
| MCA | Ministry of Corporate Affairs, Government of India |
| MCLR | Marginal cost of funds-based lending rate |
| Mn | Million |
| Mutual Fund(s) | Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996 |
| MoU | Memorandum of Understanding |
| N.A. / NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| NR | Non-resident |
| NRE Account | Non-Resident External Account |
| NRI | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| RBI | Reserve Bank of India |
| RONW | Return on Net Worth |
| RoCE | Return on Capital Employed |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEZ | Special Economic Zones |
| SEBI | The Securities and Exchange Board of India constituted under SEBI Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| SEBI Takeover Regulations/ SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Sq. metres | Square Metres |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TPA | Tonnes Per Annum |

| Term | Description |
|---|---|
| VCFs | Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be |
| WCTL | Working Capital Term Loan |
| WEO | World Economic Outlook |
| WHO | World Health Organization |
| YoY | Year on Year |

The words and expressions used but not defined in this 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 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in ***"Main Provisions of the Articles of Association", "Statement of Tax Benefits", "Industry Overview", "Regulations and Policies in India", "Financial Information of the Company", "Outstanding Litigations and Material Developments"*** and ***"Issue Procedure"***, will have the meaning ascribed to such terms in these respective sections.

## FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "propose", "project", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in this Red Herring Prospectus that are not statements of historical facts constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence.

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our business largely depends upon our top ten customers, and the loss of such customers or a significant reduction in purchases by such customers will have a material adverse impact on our business
- Our business and financial performance is particularly based on market demand and supply of our products;
- Our failure to keep pace with rapid changes in technology;
- Competition from existing and new companies may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Our ability to attract and retain qualified personnel;
- The performance of the financial markets in India and globally;
- Market fluctuations and industry dynamics beyond our control;

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled ***"Risk Factors", "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on pages **27**, **96** and **170** of this Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

We cannot assure 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 as a guarantee of future performance.

These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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. None of our Company, the Directors, the Book Running Lead Manager, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

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

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

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

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh.

In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

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

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our Restated Financial Statements of our Company for the stub period ended on September 30, 2023, Financial year ended March 31, 2023, Financial year ended March 31, 2022 and Financial year ended March 31, 2021 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the chapter titled ***"Restated Financial Statements"*** beginning on page **141** of this Red Herring Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In this Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Financial Statements.

There are significant differences between Indian GAAP, IFRS Ind AS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the Restated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the chapters titled **"*Risk Factors", "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations*"** beginning on pages **27**, **96** and **170**, respectively, of this Red Herring Prospectus and elsewhere in the Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP as stated in the report of our Peer Review Auditor, set out in chapter titled **"*Restated Financial Statements*"** beginning on page **141** of this Red Herring Prospectus.

For additional definitions used in this Red Herring Prospectus, see the Chapter titled **"*Definitions and Abbreviations*"** beginning on page **2** of this Red Herring Prospectus. In the chapter titled **"*Main Provisions of the Articles of Association*"**, beginning on page **237** of this Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running

Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" beginning on pages **27**. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

**CURRENCY AND UNITS OF PRESENTATION**

In this Red Herring Prospectus, unless the context otherwise requires, all references to;

'Rupees' or 'Rs.' or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.

'US Dollars' or 'US$' or 'USD' or '$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

| Currency | For the six months period ended September 30, 2023 | Financial Year Ended March 31, 2023 | Financial Year Ended March 31, 2022 | Financial Year Ended March 31, 2021 |
|---|---|---|---|---|
| 1 US$ | 83.05 | 82.23 | 75.81 | 73.50 |
| 1 EURO | 87.94 | 89.61 | 84.66 | 86.10 |

*(Source: www.fbil.org.in)*

*Note: In case March 31 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered.*

## SUMMARY OF OFFER DOCUMENT

This chapter is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the chapter titled **"*Risk Factors*", "*Business Overview*", "*Industry Overview*", "*Capital Structure*", "*The Issue*"** and **"*Outstanding Litigation and Other Material Developments*"** beginning on pages **27**, **96**, **84**, **43**, **43** and **183** respectively of this Red Herring Prospectus.

### SUMMARY OF INDUSTRY

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. Infrastructure is a key enabler in helping India become a US$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs.

For more details, please refer to chapter titled ***"Industry Overview"*** beginning on page **84** of this Red Herring Prospectus.

### SUMMARY OF BUSINESS

Our Company is mainly engaged in offering mechanical splicing solutions to the real estate, construction and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares. Our Company believes that it offers an end-to-end mechanical splicing solutions ranging from design, manufacturing, testing, logistics and rebar threading. We believe that the rebar couplers offered by our Company is an alternative to the conventional splicing methods followed in the construction industry.

For more details, please refer to chapter titled ***"Business Overview"*** beginning on page **96** of this Red Herring Prospectus.

### PROMOTER

The Promoter of our Company is Bindi Kunal Mehta.

For further details, please refer to the chapter titled **"*Our Promoter and Promoter Group*"** beginning on page **135** of this Red Herring Prospectus.

### ISSUE SIZE

The Issue size comprises of issuance of up to [ ● ] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [ ● ]/- per Equity Share (including premium of ₹ [ ● ]/- per share) aggregating to ₹ 476.00 lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 10, 2023 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on July 10, 2023 pursuant to section 62(1)(c) of the Companies Act.

### OBJECTS OF THE ISSUE

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

*(₹ in lakhs)*

| Particulars | Amount |
|---|---|
| Funding the working capital requirements of our Company | Upto 260.00 |
| General corporate purposes* | [ ● ] |
| **Total** | [ ● ] |

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

### PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP AS ON THE DATE OF THIS RED HERRING PROSPECTUS

| Particulars | Pre-Issue | |
|---|---|---|
| | Number of Shares | Percentage (%) holding |
| **Promoter (A)** | | |
| Bindi Kunal Mehta | 17,76,168 | 96.34% |
| **Total (A)** | **17,76,168** | **96.34%** |

| | | |
|---|---|---|
| **Promoter Group (B)** | | |
| Vedant Mukesh Mehta | 5,000 | 0.27% |
| Jahanvi Hardik Doshi | 15,200 | 0.82% |
| Varsha Mukesh Mehta | 10,144 | 0.55% |
| Mukesh Pranlal Mehta | 10,144 | 0.55% |
| Kunal Hemant Mehta | 1,600 | 0.09% |
| **Total (B)** | **42,088** | **2.28%** |
| **Public (C)** | | |
| Trilok Chand Kaithwas | 25,328 | 1.37% |
| **Total (C)** | **25,328** | **1.37%** |
| **Total (A+B)** | **18,43,584** | **100.00%** |

**SUMMARY OF FINANCIAL INFORMATION**

*(₹ in lakhs)*

| Particulars | For the year ended | | | |
|---|---|---|---|---|
| | For the six months period ended September 30, 2023*** | March 31, 2023*** | March 31, 2022*** | March 31, 2021*** |
| Share Capital | 184.36 | 6.33 | 1.00 | 1.00 |
| Networth | 253.13 | 212.12 | 9.56 | 0.12 |
| Total Revenue* | 935.36 | 1,309.62 | 220.65 | 0.44 |
| Restated Profit for the year | 41.01 | 75.33 | 9.44 | (0.88) |
| Earnings per share (Basic & diluted) (₹)-Pre-Bonus | 64.74 | 242.66 | 94.42 | (8.75) |
| Earnings per share (Basic & diluted) (₹)-Post Bonus | 2.22 | 15.17 | 5.90 | (0.55) |
| Net Asset Value per Equity Share (Basic & diluted) (₹)-Pre-Bonus | 399.67 | 683.34 | 95.62 | 1.20 |
| Net Asset Value per Equity Share (Basic & diluted) (₹)-Post Bonus | 13.73 | 42.71 | 5.98 | 0.08 |
| Total borrowing** | 301.91 | 323.37 | 47.49 | 2.22 |

**Total revenue includes other income*
*** Including current and non-current borrowings*
****As certified by Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated March 16, 2024.*

**QUALIFICATIONS OF AUDITORS**

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

**SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS**

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

(₹ in lakhs)

| Nature of Cases | Number of Cases | Total Amount Involved |
|---|---|---|
| **Proceedings against our Company** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Company** | | |

| | | |
|---|---|---|
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings against our Promoter** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Promoter** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings against our Directors** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | 1 | 1.31 |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Directors** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings against our Group Companies** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Group Companies** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |

For further details, please refer chapter titled **"*Outstanding Litigations & Material Developments*"** beginning on page **183** of this Red Herring Prospectus.

**RISK FACTORS**

For details relating to risk factors, please refer chapter titled ***"Risk Factors"*** beginning on page **27** of this Red Herring Prospectus.

**SUMMARY OF CONTIGENT LIABILITIES OF OUR COMPANY**

Our Company has no contingent liabilities claims/ demands not acknowledged as debt for the period ended September 30, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 as indicated in our Restated Financial Statements.

**SUMMARY OF RELATED PARTY TRANSACTIONS**

Following is the summary of the related party transaction of the Company for the stub period ended on September 30, 2023, Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021:

*(₹ in lakhs)*

| Particulars | Nature of Transaction | For the Financial Year ended | | | |
|---|---|---|---|---|---|
| | | For the six months period ended on September 30, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Bindi Kunal Mehta | Loan Received | - | 32.51 | 9.99 | 1.51 |
| | Loan Repaid | 11.76 | 24.79 | 5.46 | - |
| | Remuneration Paid | 12.40 | - | - | - |
| | Issue of Share Capital | 90.22 | 87.23 | - | 0.63 |
| | Rent Paid | - | - | - | - |
| Vedant Mukesh Mehta | Loan Received | 4.09 | 24.94 | 38.48 | 0.71 |
| | Loan Repaid | 9.88 | 50.72 | 4.62 | - |
| | Issue of Share Capital | 81.95 | 37.59 | - | 0.37 |
| | Remuneration Paid | 12.20 | 3.59 | - | - |
| Jahanvi Steel Private Limited | Sales of Goods | - | 350.98 | - | - |
| | Purchase of Goods | - | 19.13 | - | - |
| Jahanvi Doshi | Issue of Share Capital | 1.43 | 0.60 | - | - |
| Mukesh Mehta | Issue of Share Capital | 0.95 | 0.40 | - | - |
| Varsha Mehta | Issue of Share Capital | 0.95 | 0.40 | - | - |
| | Remuneration paid | 11.50 | - | - | - |

***Disclosure in respect of Outstanding Balances of Related Parties***

*(₹ in lakhs)*

| Particulars | Receivable / Payable | For the six months period ended on September 30, 2023 | For the Financial Year ended | | |
|---|---|---|---|---|---|
| | | | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Bindi Kunal Mehta | Loan Payable | 2.00 | 13.76 | 6.04 | 1.51 |
| | Remuneration payable | 5.40 | - | - | - |
| | Rent Payable | - | - | - | - |
| Vedant Mukesh Mehta | Loan Payable | 3.00 | 8.79 | 34.57 | 0.71 |
| | Remuneration payable | 5.40 | - | - | - |
| Jahanvi Steel Private Limited | Sales of Goods | - | 0.14 | - | - |
| | Purchase of Goods | - | - | - | - |
| Varsha Mehta | Remuneration payable | 5.00 | | | |

For details, please refer to "***Annexure XXIX - Related Party Transactions"*** beginning on page **141** this Red Herring Prospectus.

**FINANCING ARRANGEMENTS**

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

**WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS RED HERRING PROSPECTUS**

The weighted average price at which the equity shares were acquired by our Promoter in the one year preceding the date of this Red Herring Prospectus.

| Name | Number of Shares | Weighted Average Cost of Acquisition per Equity Share (in ₹) |
|---|---|---|
| Bindi Kunal Mehta | 17,71,368 | 4.92 |

**As certified by Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated March 16, 2024.*

**AVERAGE COST OF ACQUISITON**

The average cost of acquisition per Equity Share to our Promoter as at the date of this Red Herring Prospectus is:

| Name | Number of Shares | Average Cost of Acquisition per Equity Share (in ₹) |
|---|---|---|
| Bindi Kunal Mehta | 17,76,168 | 4.94 |

**As certified by M/s Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated March 16, 2024.*

**DETAILS OF PRE-ISSUE PLACEMENT**

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

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

| Date of Issue/ Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reasons for Allotment | Name of Allottees | Benefits Accrued |
|---|---|---|---|---|---|---|
| April 13, 2023 | 51,890 | 10 | 168.11 | Issued in consideration of business acquisition of M/s Kosmo Ventures, proprietorship concern of our Promoter Bindi Kunal Mehta | Bindi Kunal Mehta | Company acquired the running business of M/s Kosmo Ventures, proprietorship Concern |
| April 24, 2023 | 17,28,360 | 10 | Nil | Bonus Issue | *Refer Note 1* | Capitalisation of Reserves and surplus |

*Note 1: Allotment of 1,500 Equity Shares to Kunal Hemant Mehta, 8,19,495 Equity Shares to Vedant Mukesh Mehta, 9510 Equity Shares to Varsha Mukesh Mehta, 8,50,350 Equity Shares to Bindi Kunal Mehta, 9,510 Equity Shares to Mukesh Pranlal Mehta, 14,250 Equity Shares to Jahanvi Hardik Doshi and 23,745 Equity Shares to Trilok Chand Kaithwas. Bonus Issue in the ratio of 15 Equity Shares for every 1 Equity Share held in our Company*

For details, please refer to chapter titled **"*Capital Structure*"** beginning on page **58** of this 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 Red Herring Prospectus.

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

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

## CHAPTER - II - RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this chapter in conjunction with **"*Business Overview*", "*Industry Overview*"** and **"*Management's Discussion and Analysis of Financial Condition and Results of Operations*"** beginning on pages **96**, **84** and **170**, respectively of, as well as the financial and other information contained in, this Red Herring Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. For further details, please see the chapter titled **"*Forward-Looking Statements*"** beginning on page **18** of this Red Herring Prospectus.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for the stub period ended on September 30, 2023, Financial year ended March 31, 2023, Financial year ended March 31, 2022 and Financial year ended March 31, 2021 included in this Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this chapter. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

**Materiality**

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

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

**INTERNAL RISK FACTORS**

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

Our Company, Group Companies, Promoters and Directors are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and forums. Mentioned below are the details of the proceedings involving our Company, Promoters, Directors and Group Companies as on the date of this Red Herring Prospectus. For details kindly refer the chapter titled **"*Outstanding Litigation and Material Developments*"** beginning on page no. **183** of this Red Herring Prospectus. A brief detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

| Nature of Cases | Number of Cases | Total Amount Involved (₹ in lakhs) |
|---|---|---|
| **Proceedings against our Company** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Company** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |

| | | |
|---|---|---|
| Other Pending Litigations | Nil | Nil |
| **Proceedings against our Promoter** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Promoter** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings against our Directors** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | 1 | 1.31 |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Directors** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings against our Group Companies** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |
| **Proceedings by our Group Companies** | | |
| Criminal proceedings | Nil | Nil |
| Material civil litigation | Nil | Nil |
| Actions by statutory or regulatory Authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| Other Pending Litigations | Nil | Nil |

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

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

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We believe that we have obtained all the requisite permits and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/regulatory requirements which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with by us. For instances, some of our license is in previous name of our Company and we are yet to applied for change in the name of

Vruddhi Engineering Works Limited. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, please refer to Chapters titled ***"Key Industry Regulations and Policies"*** and **"*Government and Other Approvals*"** beginning on pages **111** and **186** of this Red Herring Prospectus.

***3. We have made an application with the Registrar of Trade Marks for registration of the logos and same has been under the status of send to Vienna Codification. Any delay in receiving the approval and/or granting registration or in obtaining registration could result in loss of logos & brand equity and the Company`s right to use the said logos.***

Our Company has applied for trademark registration in relation to the Company. The application made by our Company for registration of trademark on July 12, 2023, under Class 6 of the Trademark Act, has been marked as "Objected" vide its Examination Report dated 01/11/2023.

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

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

For further details, please refer to Chapter titled **"*Government and Other Approvals*"** beginning on page **186** of this Red Herring Prospectus.

***4. Our Company and our Promoter may not have significant experience in the business of our Company.***

Our Company was incorporated on October 27, 2020 and since then has been engaged in the business of trading in rebar couplers which is used in construction, real estate and infrastructure industry. While we have been able to expand our business over the last 2 years, we may lack sufficient expertise and experience in these products and this may impose additional strain on our resources. Further, our products are used in critical aspect of construction any quality related issue can expose us to litigation and consequent penalties. This may adversely affect our business, results of operation and revenues

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

Our Company has entered into transactions with our certain related parties. While all such transactions have been conducted on an arm's length basis and in the ordinary course of business and in accordance with the relevant provisions of Companies Act and all others applicable laws. There can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Further, the Company generates 26.84% of the revenue from its related party transactions.

| Particulars | Nature of Transaction | For the Financial Year ended March 31, 2023 | |
|---|---|---|---|
| | | Amount (₹ in Lakhs) | % of revenue from operations |
| Jahanvi Steel Private Limited | Sales of Goods | 350.98 | 26.84% |
| | Purchase of Goods | 19.13 | 1.46% |

For details on the transactions entered by us, please refer to Chapter titled ***"Restated Financial Statement"*** beginning on page **141** of this Red Herring Prospectus

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

Our top 10 suppliers 65.03%, 84.03%, 89.47% and 100.00% for the period ended September 30, 2023, for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021, respectively for procurement and sale of our traded goods such as couplers, reinforcement bars (TMT bars) and machinery. We have not entered into any long-term supply agreement for procurement of such traded goods. In case of any disruption in supply of traded goods from these

suppliers/vendors or our procurement of traded goods on terms that are not favorable to us; will adversely affect our operations and financial cost. Further in case our Company is unable to procure the requisite quantities of traded goods well in time and at competitive prices due to volatility in the prices of raw materials, the performance of our Company may be affected, thus adversely affecting our business, prospects, results of operations and financial condition.

Our Company has also entered into third-party manufacturing arrangements for procurement of rebar couplers based on our quality and technical specifications. We are subject to various risks associated with the third-party manufacturers such as interruptions to the operations of third-party manufacturers, failure by our third-party manufacturers to comply with applicable law, insufficient quality controls, any inability on our part to renew arrangement with or find replacements for existing third-party manufacturers, etc. Any disruption or inefficiencies in the supply chain network may adversely affect our business and results of operations

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

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

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

*(₹ in lakhs)*

| Particulars | For the six months period ended September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| Cash flow from Operating Activities | 69.44 | (232.50) | (3.55) | 0.62 |
| Cash flow from Investing Activities | (44.30) | (41.80) | (32.73) | - |

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

***8. Our Company has incurred losses in the previous Fiscals***.

Our Company has incurred losses of ₹ (0.88) lakhs during the Fiscal 2021, being the first year of operation. While we have since made profit, our past loss may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our credibility and business operations. Further, we cannot assure you that we would not incur loss in the future.

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

As on September 30, 2023, we have unsecured loans amounting to ₹5.00 lakhs as per our Restated Financial Statements from our Directors, which are repayable on demand to the relevant lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, see "***Restated Financial Statements***" on page **141** of this Red Herring Prospectus.

***10. The steel industry is highly cyclical and an increase in steel prices may have an adverse effect on our Company's results of operations.***

The steel industry is cyclical in nature. Steel prices fluctuate based on a number of factors, such as the availability and cost of raw material inputs, climatic changes, fluctuations in domestic and international demand and supply of steel and steel products, worldwide production and capacity, fluctuation in the volume of steel imports, transportation costs and protective trade measures, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as the construction, infrastructure development and transportation, which are among the biggest consumers of steel products. We also face low demand during the monsoon season due to decreased construction activities.

While steel prices have increased in recent years, they have been subject to fluctuation. Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting

the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

***11. We do not own registered office, corporate office and the godown which is used by us currently.***

Our Registered Office and Corporate office are situated at Office No 602/603, 6th Floor, Cello-The Plaza, V P Road, Vile Parle West, Mumbai-400056. The registered office and Corporate Office are not owned by us. Our company has taken premises on lease basis and has entered into lease agreement with Parekh Vipul Kantilal and Parekh Hemant Kantilal. The premises have been taken by us on lease for a period of 36 months commencing from October 15, 2021. There can be no assurance that the term of the agreements will be either continued or renewed for further period, and in such event the lessor/licensor terminates or does not renew the agreements, we may require to vacate the registered office and corporate office and identify alternative premises and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability and Brand image also.

Further, the premises used by us as our godown is being used in terms of Leave and Licence Agreement dated May 11, 2023. In the event, the permission to use and/or Leave and Licence Agreement under which we occupy the aforementioned premises or certain terms and conditions that are unfavorable to us are imposed on us in relation to the afore referred to premises, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations, which could have an adverse effect on our business and financial results.

***12. Our operations are significantly located in and around Mumbai and failure to expand our operations may restrict our growth and adversely affect our growth.***

Currently, our office is situated in Mumbai and we are carrying our business mainly with market players from Mumbai itself. Our revenue from sale of our products contributed 82.67% of our revenue from operations for the Financial Year ended March 31, 2023. Hence, our major part of revenues is generated from operations in this region only. In the event that demand for our products and services in general reduces or stops due to any reason including political discord or instability or change in policies of State, then our financial condition and operating results may be materially and adversely affected. Geographical and functional expansion of our business domain requires establishment of adequate network. As we seek to diversify our regional focus, we face the risk that our competitors may be better known in other markets, enjoy better relationships with customers. Our lack of exposure in geographical boundaries outside our operating region could impact our future revenues.

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

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

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

Our Company has obtained insurance coverage in respect of certain risks. While we believe that we do maintain insurance coverage in adequate amounts consistent with the size of our business, our insurance policies do not cover all risks. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, please refer to chapter titled ***'Business Overview'*** beginning on page **96** of the Red Herring Prospectus.

***15. We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.***

We supply rebar couplers which we procure from third-party manufacture based on the quality and specification provided by us. Given the nature of our products and the sector in which we operate, our customers have high and exacting standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers regarding the size and length may lead to cancellation of the orders placed by our customers. Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our

customers and may adversely affect our reputation and goodwill. In addition, our customers may demand, among others, price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, cash flows, results of operations and financial condition.

***16. Our trading activities is exposed to fluctuations in the prices of traded products. Increase in costs of our traded product could have a material adverse effect on our Company's sales, profitability and results of operations.***

Our Company is dependent on third party suppliers for procuring traded goods. We are exposed to fluctuations in the prices of these traded goods as well as its unavailability, particularly as we typically do not enter into any long-term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our traded goods on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

Our Company has not entered into any long-term contracts with most of its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.

Our Company has had long standing business relationships with various customers and have been supplying our products to several customers including repeat orders received from them. A substantial number of our customers are big brands engaged in varied industry segments like engineering, infrastructure, construction, automobiles, etc. However, we have not entered into any fixed contracts with these customers and we cater to them on an order -by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. Further, the sales volume may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition.

***17. All of our product verticals are extremely competitive segments and we face risk of competition affecting our margins and profitability as we scale our operations.***

Our purchase and sales models include various intermediaries who may connect with our competitors and share details of the specialties of our products or our sourcing processes etc. We may not be able to protect our trade secrets and may not be able to detect the same as well. We have not entered into any non-disclosure agreements with our intermediaries and thus our efforts towards marketing of our products may be leaked to other players in the market. This may affect the demand and exclusivity of our products and make us subject to fierce competition thereby adversely affecting our business, financial condition and results of operations.

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

Our business is working capital intensive including fund requirement for payment for purchases of various products across different brands and product verticals. Hence, major portion of our working capital is utilised towards debtors and inventory. Our debtors for the Fiscal 2023 and Fiscal 2022 was approximately 249.12% and 513.18% of the total net worth respectively in each year. Our inventories for the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 was approximately 30.74%, 20.43%, 41.11% and 241.67% of the total net worth respectively in each year.

The results of operations of our business are dependent on our ability to effectively manage our inventory (stock of traded goods) and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all

of which could have an adverse impact on our income and cash flows. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

We have a sanctioned limit for working capital of ₹ 270 lakhs from the existing bankers / financial institutions. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled ***"Objects of the Issue"*** beginning on page **67** of this Red Herring Prospectus.

***19. Our company has not complied with certain statutory provisions of the Companies Act, 2013 and other acts. Such non-compliance may attract penalties against our Company which could impact the financial position of us to that extent.***

Our Company has not complied with certain statutory provisions under the Companies Act 2013, for instance, our Company has not filed e-form CHG-1 for creation of charge on certain vehicle loans, which is a non-compliance of Section 77 of the Companies Act, 2013. There have been instances where our Company did a late filing of RoC forms for which our Company had to incur late fees. Further, there is an error in filing form 16 for Vedant Mukesh Mehta wherein salary has been mentioned as ₹ 3.24 lakhs instead of ₹ 3.58 lakhs. Further we have at several instances, delayed in filing our GST returns mainly due to timely non -available of populated data in the portal as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes. Although the late filing fees levied are small but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no- show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Further we cannot assure you that we may not do delay filings in future and not be subjected to penalty or interest. Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

***20. Our Company's Director had not filed Income Tax Return for any Financial Year***

Our Company's Director, i.e., Shivani Kumari Joshi had not filed ITR return for any Financial Year. Although no show cause notice has been issued against Shivani Kumari Joshi till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against our member of promoter group.

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

Our Company intends to utilise a portion of the Net Proceeds for funding the working capital requirements of our Company. The detail use of the Net Proceeds towards working capital requirements of our Company have been disclosed in the chapter titled "***Objects of the Issue'*** beginning on page **67** of this Red Herring Prospectus. We believe that the working capital will be primarily used for expanding our current business operations. The funding of the working capital requirements of our Company is expected to lead to a consequent increase in our profitability.

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

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations. Further, our Promoter would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Offer as prescribed in the SEBI ICDR Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations. For further details of the proposed objects of the Offer, refer chapter titled "***Objects of the Issue'*** beginning on page **67** of this Red Herring Prospectus.

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

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

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

We are a trading company engaged in the sale and distribution of rebar couplers and Steel Products. We sell our products to various industry segments mainly, construction, real estate and infrastructure, at various locations in India. For the period ended September 30, 2023, financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, our top ten (10) customers accounted for approximately 95.28%, 75.75%, 89.47% and 100% of our total revenue from operations. The loss of a significant customer would have a material adverse effect on our financial results. A significant number of our customers are big companies in their industry having multiple suppliers for their products and we cannot assure you that we can maintain our current levels of business from these customers or that we will be able to replace these customers in case we lose any of them. Also, any attempt to lower our dependence on our top customers, might expose us to credit risks and also affect our logistical set-up that we have with the existing customers. Furthermore, major events affecting our customers, such as bankruptcy, change of management and business framework, mergers and acquisitions, etc. could adversely impact our business. If any of our major customers becomes bankrupt or insolvent, we may lose some or all of our business from that customer and our receivable from that customer would increase and may have to be written off, adversely impacting our income and financial condition.

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

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

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

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

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

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

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

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

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

We cannot assure you that we will be able to comply with such regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for business. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products.

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

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

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

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

| Period | Amounts (₹ in Lakhs) |
|---|---|
| 2023 | 310.09 |
| 2022 | 6.88 |
| 2021 | Nil |

For further information on our borrowings, see "***Financial Indebtedness***" on page 179.

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

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

Our ability to service our indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives.

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

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer to the Chapter titled ***"Dividend Policy"*** beginning on page **140** of this Red Herring Prospectus.

***32. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize the Net Proceeds of the Offer as set forth in "***Objects of the Issue***" beginning on page **67** of this Red Herring Prospectus. The funding requirements mentioned as a part of the objects of the Offer are based on internal management estimates in view of past expenditures and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies and since we have not presently entered into any definitive agreements for the use of Net Proceeds. Various risks and uncertainties, including those set forth in this chapter, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, we may also use funds for future businesses and products which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment. For further details, please see ***"Objects of the Issue"*** beginning on page **67** of this Red Herring Prospectus

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

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

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

We have not commissioned an industry report for the disclosures made in the chapter titled ***'Industry Overview'*** beginning of page **84** and made disclosures on the basis of publicly available data and such data has not been independently verified by us. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Red Herring Prospectus. Further, the industry data mentioned in this Red Herring Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context.

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

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

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

Our Promoter may be interested in our Company to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For details of shareholding of our Promoter in our Company, see ***"Capital Structure –Details of shareholding of our Promoter and members of the Promoter Group in our Company"*** on page **58** of this Red Herring Prospectus. For details on such unsecured loan and/or deposits, see "***Restated Financial Statements***" on page **141** of this Red Herring Prospectus. Our Promoter and Executive Directors are also interested to the extent of any related party transactions with our Company. For details on related party transactions, see ***"Restated Financial Statements"***. Further, our Directors may be interested in our Company to the extent of their shareholding in our Company. For details of shareholding of our directors in our Company, see ***"Our Management - shareholding of Directors in our Company"*** on page **121**.

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

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

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

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

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

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

For details, please refer Chapter titled ***"Objects of the Issue"*** beginning on page **67** of the Red Herring Prospectus.

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

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

**EXTERNAL RISK FACTORS**

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

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

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

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

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

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

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

could harm our results of operations and financial condition.

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

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

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

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

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

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

a) high rates of inflation in India and in countries where we operate our business could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;

b) changes in existing laws and regulations in India and in countries where we operate our business;

c) changes in trade policies, in terms of tariff and non-tariff barriers; and

d) a slowdown in economic growth or financial instability in India and in countries where we operate our business could adversely affect our business and results of operations.

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

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

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

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

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

Our Company is subject to various regulations and policies. For details refer to the Chapter titled ***"Key Industry Regulations and Policies"*** beginning on page **111** of this Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

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

**RISK RELATED TO OUR EQUITY SHARES**

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

The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLM, and through the Book Built Issue Process. This price is based on numerous factors, as described under **"*Basis for Issue Price*"** beginning on page **74** of this Red Herring Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price**.**

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

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

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

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

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

***54. Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.***

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

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

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

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

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments**.**

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

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

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

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natura justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

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

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

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

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

Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the

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

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

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

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

***61. There is no guarantee that our Equity Shares will be listed on BSE SME in a timely manner or at all.***

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

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

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

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

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

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a Company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

***64. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate

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

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

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

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

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

## CHAPTER - III –INTRODUCTION

## THE ISSUE

The following table summarizes the Issue details:

| PARTICULARS | DETAILS OF EQUITY SHARES* |
|---|---|
| **Issue of Equity Shares by our Company** (1)(2) | [ ● ] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [ ● ]/- per Equity Share aggregating upto ₹ 476.00 lakhs. |
| ***Consisting of*** | |
| **Market Maker Reservation Portion** | Upto [●] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [ ● ]/- per Equity Share aggregating to ₹ 25.20 lakhs. |
| **Net Issue to The Public** | [ ● ] Equity Shares of face value of ₹ 10.00/- each fully paid-up for cash at price of ₹ [ ● ]/- per Equity Share aggregating to ₹ [ ● ] lakhs. |
| ***of which**** | |
| **(A) QIB Portion** | Upto [●] Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [ ● ] /- per Equity Share aggregating to ₹ [ ● ] lakhs i.e., not more than 50% of the Net Issue shall be available for allocation to the QIBs. |
| ***of which*** | |
| i. QIB Portion | Upto [●] Equity Shares aggregating up to ₹ [●] lakhs. |
| ***of which*** | |
| a) Available for allocation to Mutual Funds only (5% of the 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 |
| **Pre-and Post-Issue Equity Shares** | |
| Equity Shares outstanding prior to the issue | 18,43,584 Equity Shares of face value of ₹. 10.00/- each. |
| Equity Shares outstanding after the issue | [ ● ]** Equity Shares of face value of ₹.10.00/- each. |
| Use of Issue Proceeds | For details, please refer chapter titled ***"Objects of the Issue"*** beginning on page **67** of this Red Herring Prospectus. |

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

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

*(1)The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 10, 2023 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on July 10, 2023 pursuant to section 62(1)(c) of the Companies Act.*

*(2)The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription*

*(3)The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders. 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.*

*(4)Since 60% of the QIB Portion is less than ₹ 200.00 lakhs, which is less than the minimum investment by an Anchor Investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, please refer section titled **"Issue Procedure"** beginning on page **209** of this Red Herring Prospectus.*

## SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with ***"Restated Financial Statements"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on pages **141** and **170** respectively of this Red Herring Prospectus.

*[The Remainder of this Page has intentionally been left blank]*

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**ANNEXURE-I RESTATED STATEMENTS OF ASSETS & LIABILITIES**

| Particulars | Note No. | As at September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | | | |
| **(1) Equity** | | | | | |
| (a) Equity Share Capital | 3 | 184.36 | 6.33 | 1.00 | 1.00 |
| (b) Share application money pending allotment | | - | 87.23 | - | - |
| (c) Reserves and Surplus | 4 | 68.77 | 118.55 | 8.56 | (0.88) |
| **Total Equity** | | **253.13** | **212.12** | **9.56** | **0.12** |
| **(2) Non-Current Liabilities** | | | | | |
| (a) Long-term borrowings | 5 | 30.65 | 53.14 | 40.61 | 2.22 |
| (b) Long-Term Provision | 6 | 4.21 | 3.07 | 0.43 | - |
| (c) Defered Tax Liability | 7 | 11.31 | 1.58 | 0.44 | - |
| **Total Non Current Liabilities** | | **46.17** | **57.79** | **41.48** | **2.22** |
| **(3) Current Liabilities** | | | | | |
| (a) Short-term borrowings | 8 | 271.26 | 270.23 | 6.88 | - |
| (b) Trade payables | 9 | | | | |
| (i) Total Oustanding dues of Micro enterprises and small Enterprises | | - | - | - | - |
| (ii) Total Oustanding dues of Other than micro enterprises and small Enterprises | | 165.62 | 192.33 | 15.04 | 0.32 |
| (c) Short-term provisions | 10 | 61.75 | 42.26 | 25.28 | 0.35 |
| (d) Other Current Liabilities | 11 | 10.66 | 7.61 | 1.90 | - |
| **Total Current Liabilities** | | **509.29** | **512.43** | **49.09** | **0.67** |
| **Total** | | **808.58** | **782.33** | **100.14** | **3.02** |
| **II. ASSETS** | | | | | |
| **(1) Non-Current Assets** | | | | | |
| (a) Property Plant and Equipements | 12 | 170.43 | 137.30 | 31.09 | - |
| (b) Non Current Investments | 13 | 1.30 | 1.30 | - | - |
| **Total Non Current Assets** | | **171.73** | **138.60** | **31.09** | **-** |
| **(2) Current Assets** | | | | | |
| (a) Inventories | 14 | 76.00 | 43.34 | 3.93 | 0.29 |
| (b) Trade receivables | 15 | 521.72 | 528.44 | 49.06 | - |
| (c) Cash and cash equivalents | 16 | 26.11 | 37.62 | 10.07 | 1.19 |
| (d) Short-term loans and advances | 17 | 11.06 | 33.33 | 5.99 | 1.54 |
| (e) Other Current Assets | 18 | 1.95 | 0.99 | - | - |
| **Total Current Assets** | | **636.85** | **643.73** | **69.05** | **3.02** |
| **Total** | | **808.58** | **782.33** | **100.14** | **3.02** |

**The above statement should be read with significant accounting policies & notes on financial statements in Annexure IV & XXX**
As per our Report of even date.

**For Maheshwari & Co.**
**Chartered Accountants**
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

Place: Mumbai
Date: February 23, 2024

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi Kunal Mehta**
(Mananging Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**ANNEXURE -II RESTATED STATEMENTS OF PROFIT AND LOSS FOR THE PERIOD ENDED**

| Particulars | Note No. | Period ended September 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| I. Revenue from operations | 19 | 935.33 | 1,307.69 | 220.65 | 0.44 |
| II. Other Income | 20 | 0.03 | 1.93 | - | - |
| **III Total Revenue (I+II)** | (I+II) | 935.36 | 1,309.62 | 220.65 | 0.44 |
| **Expenses:** | | | | | |
| Purchase of stock in Trade | 21 | 604.07 | 972.64 | 160.46 | 0.87 |
| Changes in Inventories of Traded Goods | 22 | (32.66) | (39.41) | (3.63) | (0.29) |
| Employee benefit expenses | 23 | 93.29 | 121.25 | 8.18 | 0.17 |
| Financial costs | 24 | 18.93 | 14.04 | 0.10 | - |
| Depreciation and amortization expense | 12 | 11.17 | 21.51 | 1.65 | - |
| Other expenses | 25 | 173.33 | 118.15 | 41.31 | 0.57 |
| **IV. Total Expenses** | | 868.12 | 1,208.17 | 208.05 | 1.32 |
| **V. Profit before Tax (III-IV)** | (III - IV) | 67.23 | 101.45 | 12.60 | (0.88) |
| **VI. Tax expense: (V-VI)** | | | | | |
| (1) Current tax | | 16.50 | 24.97 | 2.72 | - |
| (2) Deferred tax | | 9.73 | 1.14 | 0.44 | - |
| **VII. Profit/Loss after tax** | (VI - VII) | 41.01 | 75.34 | 9.44 | (0.88) |
| **VIII. Earning per equity share:** | | | | | |
| Equity Shares of par value of Rs.10 Each | | | | | |
| (1) Basic & Diluted (Before bonus) | 26 | 64.74 | 242.69 | 94.42 | (8.75) |
| (2) Basic & Diluted (After bonus) | | 2.22 | 15.17 | 5.90 | (0.55) |

**The above statement should be read with significant accounting policies & notes on financial statements in Annexure V & XXX**
As per our report of even date

**For Maheshwari & Co.**
**Chartered Accountants**
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

Place: Mumbai
Date: February 23, 2024

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi Kunal Mehta**
(Managing Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**ANNEXURE-III RESTATED STATEMENT OF CASH FLOW**

| Sr. No. | Particulars | | For Year Ended September 30, 2023 | For Year Ended March 31, 2023 | For Year Ended March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | | | | |
| | Net Profit / (Loss) Before Taxes | | 67.23 | 101.44 | 12.60 | (0.88) |
| | **ADD:** | | | | | |
| 1 | Depreciation | | 11.17 | 21.51 | 1.65 | - |
| 2 | Interest Paid | | 15.17 | 14.04 | 0.10 | - |
| | **Operating Cash Flows Before Working Capital Adjustments** | | **93.57** | **136.99** | **14.34** | **(0.88)** |
| | **ADJUSTMENT FOR :** | | | | | |
| | (Increase) / Decrease In Inventory | | (32.66) | (39.41) | (3.63) | (0.29) |
| | (Increase) / Decrease In Trade Receivables | | 6.73 | (479.39) | (49.06) | - |
| | (Increase) / Decrease In Loans & Advances | | 22.27 | (27.34) | (4.46) | (1.54) |
| | (Increase) / Decrease In Other Current Assets | | (0.96) | (0.99) | - | |
| | Increase/(decrease) in Trade payables | | (26.71) | 177.30 | 14.72 | 0.32 |
| | Increase/(decrease) in Short-term Provision | | 16.56 | 16.98 | 24.93 | 0.35 |
| | Increase/(decrease) in Other Current Liabilities | | 3.05 | 5.71 | 1.90 | |
| | Increase/(decrease) In Long term Provisions | | 1.14 | 2.63 | 0.43 | |
| | **Cash generated/(used) in operations** | | (10.58) | (344.52) | (15.17) | (1.16) |
| | Income taxes paid | | (13.56) | (24.97) | (2.72) | - |
| | **Net Cash Generated From Operating Activities** | **A** | **69.43** | **(232.49)** | **(3.55)** | **(2.04)** |
| B | **Cash Flow From Investing Activites** | | | | | |
| | Purchase Of Fixed Assets | | (44.30) | (127.73) | (32.73) | - |
| | Investment in Kosmo Ventures | | - | (1.30) | - | |
| | Proceeds from issuse of share capital | | - | - | - | 1.00 |
| | Share application Money held | | - | 87.23 | - | - |
| | **Net Cash Generated (Used) In Investing Activities** | **B** | **(44.30)** | **(41.80)** | **(32.73)** | **1.00** |
| C | **Cash Flow From Financing Activites** | | | | | |
| | Proceeds/( Repayment) From Short Term Borrowings (net) | | 1.03 | 263.35 | 6.88 | |
| | Proceeds/( Repayment) From Long Term Borrowings (net) | | (22.49) | 12.53 | 38.39 | 2.22 |
| | Interest Paid | | (15.17) | (14.04) | (0.10) | - |
| | Issue of Shares with securities Premium | | | 40.00 | - | |
| | **Net Cash Generated /(Used) in Financing Activities** | **C** | **(36.64)** | **301.84** | **45.16** | **2.22** |
| | **Net Increase / (Decrease) In Cash And Cash Equivalents** | **(A+B+C)** | **(11.51)** | **27.55** | **8.88** | **1.19** |
| | Cash & Cash Equivalents At The Beginning Of The Year | | 37.62 | 10.07 | 1.19 | - |
| | **Cash And Cash Equivalents At The End Of The Year** | | 26.11 | 37.62 | 10.07 | 1.19 |
| | | | **(11.51)** | **27.55** | **8.88** | **1.19** |

**The above statement should be read with significant accounting policies & notes on financial statements in Annexure IV & XXX**

**As per our Report of even date.**

**For Maheshwari & Co.**
Chartered Accountants
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

Place : Mumbai
Date: February 23, 2024

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi kunal mehta**
(Managing Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

## GENERAL INFORMATION

Our Company was incorporated in Mumbai, Maharashtra as *"Vruddhi Steel Private Limited"*, a private limited company under the Companies Act, 2013, vide certificate of incorporation dated October 27, 2020 issued by Assistant Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 26, 2022, and consequently, the name of our Company was changed to *"Vruddhi Steel Limited"*, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated January 05, 2023, was issued by the RoC to our Company. Later on, January 31, 2023, the running business of the proprietorship concern of our Promoter namely "M/s. Kosmo Ventures" was taken-over by the Company, along with the assets and liabilities of the proprietorship concern as going concern. Further, the name of our Company was changed to *"Vruddhi Engineering Works Limited"* pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 29, 2023 and a fresh certificate of incorporation dated June 20, 2023 was issued by the Registrar of Companies, Mumbai.

For further details, please refer to the chapter titled ***"History and Certain Corporate Matters"*** beginning on page **118** of this Red Herring Prospectus.

### REGISTERED OFFICE OF OUR COMPANY

**VRUDDHI ENGINEERING WORKS LIMITED**
Office No 603, 6th Floor, Cello - The Plaza,
V P Road, Vile Parle West-400056,
Mumbai, Maharashtra, India.
**Tel No:** +91 022 26128915
**Email:** cs@vruddhicouplers.com
**Website**: www.vruddhicouplers.com

### CORPORATE OFFICE OF OUR COMPANY

Office No. 602, 6th Floor, Cello - The Plaza,
V P Road, Vile Parle West-400056,
Mumbai, Maharashtra, India.

### CORPORATE IDENTITY NUMBER AND REGISTRATION NUMBER

Company Registration Number: 348853

Corporate Identity Number: U28246MH2020PLC348853

### ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Mumbai located at the following address: 5th Floor, 100, Everest Building, Netaji Subhash Road, Marine Drive, Mumbai - 400002, Maharashtra

### BOARD OF DIRECTORS OF OUR COMPANY

Our Company's Board comprises of the following Directors as set forth in the following table: -

| Name | DIN | Designation | Address |
|---|---|---|---|
| Bindi Kunal Mehta | 08936998 | Chairman & Managing Director | Flat no. 502 Gulmohar Residency, Myriax Tower, St Xavier Church School Road, opp Manju Castle, Vile Parle West-400056, Mumbai |
| Vedant Mukesh Mehta | 08936999 | Whole time Director | A/605, Laxmi Apartment, M. G. Cross Road no.4, Behind Patel Nagar, Kandivali - West, Mumbai-400067, Maharashtra, India* |
| Varsha Mukesh Mehta | 09155275 | Whole time Director | A/605, Laxmi Apartment, M. G. Cross Road no.4, Behind Patel Nagar, Kandivali-West, Mumbai-400067, Maharashtra, India* |
| Ankita Rohan Kothari | 07335122 | Non-Executive Independent Director | Flat no. 602 Gulmohar Residency, St. Xaviers Church School Road, opp Manju Castle, Vile Parle West-400056, Mumbai |
| Karan Manoj Doshi | 08156212 | Non-Executive Independent Director | A/905/907, Shree Naman Towers, 41, S. V. Road, Behind Namah Hospital, Kandivali – West, Mumbai – 400067, Maharashtra |

| Name | DIN | Designation | Address |
|---|---|---|---|
| Shivani Kumari Joshi | 09784023 | Non-Executive Independent Director | Prakash Chandra Joshi, ward no. 06, Theekariya, Banswara, Rajasthan - 327605 |

** Vedant Mukesh Mehta and Varsha Mukesh Mehta shifted to a new residence at A52 Aashiana CHSL, Shantilal Modi Road, Kandivali West, Mumbai - 400067 w.e.f. May 02, 2023. However, the KYC documents still continues to be on the above address*

For detailed profile of our Board of Directors, please refer to the chapter titled **"*Our Management*"** beginning on page **121** of this Red Herring Prospectus.

**COMPANY SECRETARY & COMPLIANCE OFFICER**

**Kishori Jaysingh Sodha**

Office No 603, 6th Floor, Cello - The Plaza,
V P Road, Vile Parle West-400056,
Mumbai, Maharashtra, India
**Tel No:** 91- 022 26128915
**Email:** cs@vruddhicouplers.com
**Website:** www.vruddhicouplers.com

**CHIEF FINANCIAL OFFICER**

**Hiral Rushang Gandhi**
Office No 603, 6th Floor, Cello - The Plaza,
V P Road, Vile Parle West-400056,
Mumbai, Maharashtra, India
**Tel No:** 91- 022 26128915
**Email:** cs@vruddhicouplers.com
**Website:** www.vruddhicouplers.com

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

**INVESTOR GRIEVANCES**

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form Number, Applicant DP ID, Client ID, UPI ID, PAN, date of the ASBA Form, address of the applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant and ASBA Account number (for Applicants other than Retail Investors using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of Retail Investor using the UPI Mechanism.

Further, the investors shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/ information mentioned above. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicants 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 three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and EBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 SCSBs are required to compensate the investor immediately on the receipt of complaint.

**DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:**

| BOOK RUNNING LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **FEDEX SECURITIES PRIVATE LIMITED**<br>B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India<br>**Tel No:** +91 8104985249<br>**Contact Person:** Saipan Sanghvi<br>**Email Id:** mb@fedsec.in<br>**Website:** www.fedsec.in<br>**Investor Grievance Email:** mb@fedsec.in<br>**SEBI Registration Number:** INM000010163 | **BIGSHARE SERVICES PRIVATE LIMITED**<br>S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India<br>**Tel No:** +91 022 6263 8200<br>**Fax No:** +91 22 6263 8299<br>**E-mail Id:** ipo@bigshareonline.com<br>**Website:** www.bigshareonline.com<br>**Contact Person**: Mr. Babu Rapheal C.<br>**SEBI Registration No:** MB/INR000001385 |
| **LEGAL ADVISOR TO THE ISSUE** | **STATUTORY AND PEER REVIEW AUDITOR** |
| **ADVOCATE MOHAN KANOJIYA**<br>106A, 1st Floor, Vikas Building, 11th Bank Street, Fort, Mumbai-400001<br>**Tel No:** +91-22 3577 9180<br>**E-mail Id:** advocatemohankanojiya@gmail.com / hjc.compliance@gmail.com<br>**Contact Person**: Mohan Kanojiya<br>**Bar Council No**.: MAH/1288/2015 | **MAHESHWARI & CO., CHARTERED ACCOUNTANTS**<br>10-11, 3rd Floor, Esplanade School Building, 3 A Naik Marg, Near New Empire Cinema, Fort, CST, Mumbai 400 001<br>**Tel No:** 022 4295 9587<br>**E-mail Id:** vikas.asawa@icai.org<br>**Contact Person**: CA Vikas Asawa<br>**Firm Registration No:** 105834W<br>**Membership No:** 172133<br>**Peer Review Number:** 014967 |
| **BANKERS TO THE COMPANY** | |
| **CANARA BANK**<br>**Address:** Chembur Sindhi Society Branch Hemu Kalani Marg, Sindhi Society, Chembur, Mumbai-400071<br>**Tel No:** +91 8450979830<br>**E-mail Id:** cb@0229@canarabank.com<br>**Website:** www.canarabank.com<br>**Contact Person**: Mr. Rajesh A V | **ICICI Bank Ltd**<br>**Address:** Radha Kunj, Azadnagar, North South Road No. 1, JVPD, Vile Parle (W) Mumbai-400056.<br>**Tel No:** +91 97021 54255<br>**E-mail Id:** vinay.jaiswal@icicibank.com<br>**Website:** www.icicibank.com<br>**Contact Person**: Vinay Jaiswal |
| **BANKERS TO THE ISSUE / REFUND BANK /SPONSOR BANK** | |
| **YES BANK LIMITED**<br>Yes Bank House, Corporate and Registered Office: Off Western Express Highway -Santa Cruz East: Mumbai: 400055.<br>**Tel:** 022 5092 0508<br>**Email:** Vishwanath.jha@yesbank.in<br>**Website:** www.yesbank.in<br>**Contact Person:** Mr. Vishwanath Jha | |
| **MARKET MAKER TO THE ISSUE** | **UNDERWRITER TO THE ISSUE** |
| **RIKHAV SECURITIES LIMITED**<br>B/501-502, 02 Commercial Building, Asha Nagar, Mulund (W), Mumbai- 400080<br>**Tel No:** 022-69078300 / 400<br>**Fax No:** NA<br>**E-mail Id:** info@rikhav.net<br>**Website:** www.rikhav.net<br>**Contact Person**: Hitesh H Lakhani<br>**Investor Grievance Email**: info@rikhav.net<br>**SEBI Registration Number**: INZ000157737 | **FEDEX SECURITIES PRIVATE LIMITED**<br>B7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India.<br>**Tel No**: +91 8104985249<br>**Contact Person**: Saipan Sanghvi<br>**Email Id**: mb@fedsec.in<br>**Website**: www.fedsec.in<br>**Investor Grievance Email**: mb@fedsec.in<br>**SEBI Registration Number**: INM000010163 |

** Maheshwari & Co., Chartered Accountants holds a valid peer review certificate number* – 014967 *issued by the "Peer Review Board" of the Institute of Chartered Accounts of India, New Delhi.*
*#Legal Advisor to the Issue to the extent of Legal chapter.*

**SYNDICATE MEMBER**

As on the date of this Red Herring Prospectus, there are no syndicate members.

**DESIGNATED INTERMEDIARIES**

**SELF-CERTIFIED SYNDICATE BANKS ("SCSBs")**

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

**Self-Certified Syndicate Banks eligible as Issuer Banks and mobile applications enabled for UPI Mechanism**

In accordance with 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, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43,

respectively, as may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

**INVESTORS BANKS OR ISSUER BANK FOR UPI**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Applicants Bidding 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

**Syndicate SCSB Branches**

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

**REGISTERED BROKERS**

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. 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 TO THE ISSUE AND SHARE TRANSFER AGENTS ("RTA")**

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Bid cum 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")**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

**BROKERS TO THE ISSUE**

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

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

Fedex Securities Private Limited being sole Book Running Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

**IPO GRADING**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing

an IPO Grading agency.

**CREDIT RATING**

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

**DEBENTURE TRUSTEES**

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

**GREEN SHOE OPTION**

No Green Shoe Option is contemplated under this Issue.

**MONITORING AGENCY**

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

**APPRAISING ENTITY**

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

**EXPERT OPINION**

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

Our Company has received written consent from the Statutory and Peer Review Auditor, namely, Maheshwari & Co., Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report dated February 23, 2024 on our Restated Financial Statement, and (ii) report dated February 28, 2024 on the statement of special tax benefits available to our Company, and included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this DP. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

**FILING THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS**

a) The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed on BSE SME situated at 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001, Maharashtra, India.

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

c) A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be filed with the Registrar of Companies, 5th Floor, 100 Everest Building, Netaji Subhash Road, Marine Lines, Mumbai – 400002 Maharashtra, India, at least (3) three working days prior from the date of opening of the Issue.

**TYPE OF ISSUE**

The present issue is considered to be 100% Book Built Issue.

**BOOK BUILDING PROCESS**

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

- Our Company;
- The Book Running Lead Manager in this case being Fedex Securities Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as

Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;

- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

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

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

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled ***"Issue Procedure"*** beginning on page **209** of the Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled ***"Issue Procedure"*** on page **209** of this Red Herring Prospectus.

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

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

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

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

- Check eligibility for making a Bid (see section titled ***"Issue Procedure"*** on page **207** of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary 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 Red Herring Prospectus and in the Bid cum Application Form;

**Bid/ Issue Program:**

| Event | Indicates Dates |
|---|---|
| Bid/ Issue Opening Date | **TUESDAY, MARCH 26, 2024** |
| Bid/ Issue Closing Date | **THURSDAY, MARCH 28, 2024** |
| Finalization of Basis of Allotment with the Designated Stock Exchange | **MONDAY, APRIL 01, 2024** |
| Initiation of Allotment/ Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | **TUESDAY, APRIL 02, 2024** |
| Credit of Equity Shares to Demat accounts of Allottees | **TUESDAY, APRIL 02, 2024** |
| Commencement of trading of the Equity Shares on the Stock Exchange | **WEDNESDAY, APRIL 03, 2024** |

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 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/Issue Closing Date may be 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/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

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

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

**UNDERWRITERS**

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated October 31, 2023 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

| Name, Address, Telephone, Facsimile, and Email of the Underwriters | Indicated number of Equity Shares to be Underwritten | Amount Underwritten (₹ in lakhs) | % of the total Issue size Underwritten |
|---|---|---|---|
| **FEDEX SECURITIES PRIVATE LIMITED**<br>B7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India.<br>**Tel No:** +91 8104985249<br>**Contact Person:** Saipan Sanghvi<br>**Email Id:** mb@fedsec.in<br>**Website:** www.fedsec.in<br>**Investor Grievance Email:** mb@fedsec.in<br>**SEBI Registration Number:** INM000010163 | **[●]** | **[●]** | **[●]** |
| **Total** | **[●]** | **[●]** | **[●]** |

**Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker 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 underwriting obligations in full.

**CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS**

| Name of the auditor | **CA Vipul J Ruparelia** | **Maheshwari & Co.** |
|---|---|---|
| FRN | 101290 | 105834W |
| Peer Review Number | -- | 014967 |
| Date of Appointment | November 15, 2020 | March 15, 2023 |
| Date of Resignation | February 15, 2023 | - |
| Email ID | ruparelia1111@gmail.com | info@maheshwariandco.in |
| Address | Office No 16, Raj Crescent, Royal Complex, Off Eksar Road, Borivali West, Mumbai - 400092 | 10-11, Third Floor, Esplanade Building, 3, A. K. Marg, Fort, C.S.T. Mumbai - 400001 |
| Reason for change | Company planning for IPO in SME Platform. Hence, present auditors resigns. No dispute or difference with Management | - |

**WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared, and the Stock Exchange will also be informed promptly. The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction.

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

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

**MIGRATION TO MAIN BOARD**

Our Company may migrate to the Main board of Stock Exchanges from SME Platform of BSE Limited on a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2,500.00 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained In-Principal approval from the Main Board), our Company shall apply to Stock Exchanges for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of our Company is more than ₹ 1,000.00 lakhs but below ₹ 2,500.00 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligibility criteria for listing laid by the Main Board and if the same has been approved by a special resolution 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 or as per applicable provisions.

**DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Book Running Lead Manager has entered into Market Making Agreement dated October 31, 2023 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

| | |
|---|---|
| **Name** | Rikhav Securities Limited |
| **Address** | B/501-502, 02 Commercial Building, Asha Nagar, Mulund (W), Mumbai- 400080 |
| **Tel no** | 022-69078300 |
| **Fax no** | NA |
| **Email id** | info@rikhav.net |
| **Website** | www.rikhav.net/ |
| **Contact person** | Hitesh Lakhani |
| **Sebi Registration no** | INZ000157737 |

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 India to fulfil the obligations of Market Making) dated October 31, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

Rikhav Securities Limited, registered with SME Platform of BSE India will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

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

1. The Market Maker 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 shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to Issue their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●] per share the minimum bid lot size is 2000 Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, maybe revised by of BSE Limited and SEBI from time to time.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide 2-way quote if the Shares of market maker in our Company reaches to upper limit. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to lower Limit the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.

6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

7. There would not be more than five Market Maker for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Maker may compete with other Market Maker for better quotes to the investors. At this stage, Rikhav Securities Limited is acting as the sole Market Maker.

8. On the first day of the listing, there will be pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the SME Platform of the BSE Limited.

9. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on SME Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE Limited and SEBI circulars

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

    1. 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.

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

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

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

11. 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.

12. The Market Maker shall have the right to terminate said arrangement by giving a one-month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

13. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

14. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Book Running Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.

15. Risk containment measures and monitoring for Market Makers: SME Platform of BSE Limited will have all margins, which are applicable on the 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.

16. Punitive Action in case of default by Market Makers: SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the

Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.

17. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
18. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/Stock Exchange from time to time.
19. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

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

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

## CAPITAL STRUCTURE

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

*(Amount ₹ in lakhs except share data)*

| Sr. No. | Particulars | Aggregate Nominal Value | Aggregate value at Issue Price* |
|---|---|---|---|
| **A.** | **AUTHORISED EQUITY SHARE CAPITAL** | | |
| | 30,00,000 Equity Shares of face value of ₹10.00/- each | 300.00 | - |
| **B.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE** | | |
| | 18,43,584 Equity Shares of face value of ₹10.00/- each | 184.36 | - |
| **C.** | **PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS** | | |
| | Up to [ ● ] Equity Shares of ₹10.00/- each for cash at price of ₹ [ ● ]/- per share(1) | [ ● ] | Up to 476.00 |
| | **Which comprises:** | | |
| | **Market Maker Reservation portion:** Reservation for Market Maker up to [ ● ] Equity Shares of ₹ 10.00/- each for cash at price of ₹ [ ● ]/- will be available for allocation to Market Maker | [ ● ] | [ ● ] |
| | **Net Issue to the Public:** Net Issue to the Public up to [ ● ] Equity Shares of ₹10.00/- each for cash at price of ₹ [ ● ]/- per share | [ ● ] | [ ● ] |
| | **Of which(2):** | | |
| | Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds. | [ ● ] | [ ● ] |
| | At least [●] Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Non-Institutional Investors | [ ● ] | [ ● ] |
| | At least [●] Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Retail Individual Investors | [ ● ] | [ ● ] |
| **D.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE** | | |
| | [ ● ] Equity Shares of face value of ₹ 10.00 each | | [ ● ] |
| **E.** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Issue (as on date of the Draft Red Herring Prospectus) ** | | Nil |
| | After the Issue* | | [ ● ] |

**To be included upon finalization of the Issue price.*

***As certified by the Statutory Auditor Maheshwari & Co., Chartered Accountants vide its certificate dated July 29,2023.*

*(1) The present Issue has been authorized pursuant to a resolution of our Board of Directors dated July 10, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on July 10, 2023.*

*(2) Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

**Class of Shares**

Our Company has only one class of share capital i.e., Equity Shares of ₹ 10.00/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Red Herring Prospectus.

**NOTES TO THE CAPITAL STRUCTURE**

**1. Changes in Authorised Equity Share Capital of our Company:**

Details of changes in Authorized Share Capital of the Company since incorporation:

| Particulars of change | Date of shareholders' meeting | AGM/EOGM |
|---|---|---|
| The Authorised Share Capital of our Company is ₹ 1,00,000 consisting of 10,000 Equity Share of face value of ₹ 10.00/- each | On Incorporation | NA |
| Increase in Authorised Capital from ₹ 1,00,000 to ₹ 2,00,00,000 consisting of 20,00,000 Equity Share of face value of ₹ 10.00/- each | September 14, 2022 | EOGM |
| Increase in Authorised Capital from ₹ 2,00,00,000 to ₹ 3,00,00,000 consisting of 30,00,000 Equity Share of face value of ₹ 10.00/- each | March 15, 2023 | EOGM |

**2. History of Issued and Paid-Up Share Capital of our Company**

The history of the Equity Share Capital of our Company is detailed in the following table:

| Date of Allotment/Issue | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment | Cumulative no. of Equity Shares | Cumulative Paid Up Equity Shares Capital (₹) |
|---|---|---|---|---|---|---|---|
| On Incorporation | 10,000 | 10 | 10 | Cash | Subscription to MOA[(i)] | 10,000 | 1,00,000 |
| November 7, 2022 | 53,334 | 10 | 75 | Cash | Rights Issue[(ii)] | 63,334 | 6,33,340 |
| April 13, 2023 | 51,890 | 10 | 168.11 | Other than Cash | Preferential Allotment[(iii)] | 1,15,224 | 11,52,240 |
| April 24, 2023 | 17,28,360 | 10 | Nil | Other than Cash | Bonus Issue[(iv)] | 18,43,584 | 1,84,35,840 |

**i. Initial Subscribers to the MOA subscribed to 10,000 Equity Shares of face value of ₹10.00/- each as per the details given below:**

| Sr. No. | Name | No. of Equity Shares |
|---|---|---|
| 1. | Bindi Kunal Mehta* | 6,300 |
| 2. | Vedant Mukesh Mehta | 3,700 |
| **Total** | | **10,000** |

**Subscription money for Bindi Kunal Mehta has been received from M/s. Kosmo Ventures, proprietary concern of our Promoter i.e. Bindi Kunal Mehta.*

**ii. Right Issue of shares as on November 7, 2022 of 53,334 equity shares of face value of Rs 10/- each fully paid-up share, the details are given below:**

| Sr. No. | Name | No. of Equity Shares |
|---|---|---|
| 1. | Vedant Mukesh Mehta | 50,133 |
| 2. | Trilok Chand Kaithwas | 1,333 |
| 3. | Jahanvi Hardik Doshi | 800 |
| 4. | Mukesh Mehta | 534 |
| 5. | Varsha Mehta | 534 |
| **Total** | | **53,334** |

**iii. Preferential Issue of shares as on April 13, 2023 of 51,890 Equity Shares of face value of Rs 10/- each fully paid-up share, the details are given below:**

| Sr. No. | Name | No. of Equity Shares |
|---|---|---|
| 1. | Bindi Kunal Mehta | 51,890 |
| **Total** | | **51,890** |

**iv. Bonus Issue of shares as on April 24, 2023 of 17,28,360 Equity Shares of face value of ₹ 10/- each fully paid-up share in the ratio of 15:1, the details are given below:**

| Sr. No. | Name | No. of Equity Shares |
|---|---|---|
| 1. | Kunal Hemant Mehta | 1,500 |
| 2. | Vedant Mukesh Mehta | 8,19,495 |
| 3. | Varsha Mukesh Mehta | 9,510 |

| | | |
|---|---|---|
| 4. | Bindi Kunal Mehta | 8,50,350 |
| 5. | Mukesh Pranlal Mehta | 9,510 |
| 6. | Jahanvi Hardik Doshi | 14,250 |
| 7. | Trilok Chand Kaithwas | 23,745 |
| **Total** | | **17,28,360** |

**3. Issue of Equity Shares for Consideration other than Cash.**

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

| Date of Issue/ Allotment | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Reasons for Allotment | Name of Allottees | Benefits Accrued |
|---|---|---|---|---|---|---|
| April 13, 2023 | 51,890 | 10 | 168.11 | Issued in consideration of entire business acquisition of M/s. Kosmo Ventures, proprietorship concern of our Promoter Bindi Kunal Mehta | Bindi Kunal Mehta | Company acquired the running business of M/s Kosmo Ventures, proprietorship Concern |
| April 24, 2023 | 17,28,360 | 10 | Nil | Bonus Issue | *Refer Note 1* | Capitalisation of Reserves and surplus |

*Note 1: Allotment of 1,500 Equity Shares to Kunal Hemant Mehta, 8,19,495 Equity Shares to Vedant Mukesh Mehta, 9,510 Equity Shares to Varsha Mukesh Mehta, 8,50,350 Equity Shares to Bindi Kunal Mehta, 9,510 Equity Shares to Mukesh Pranlal Mehta, 14,250 Equity Shares to Jahanvi Hardik Doshi and 23,745 Equity Shares to Trilok Chand Kaithwas. Bonus Issue in the ratio of 15 Equity Shares for every 1 Equity Share held in our Company*

**4. Equity Shares allotted in terms of any schemes of arrangement**

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

**5. Shares issued out of revaluation reserves**

Our Company has not issued any shares out of revaluation reserves since its incorporation.

**6. Issue of Equity Shares under employee stock option schemes**

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.

**7.** The Issue Price has been determined by our Company in consultation with the Book Running Lead Manager.

**8. Issue of specified securities at a price lower than the Issue Price in the last year.**

Except for bonus issue as mentioned above, our Company has not issued any Equity Shares at a price which is lower than the Issue Price during a period of one year preceding the date of this Red Herring Prospectus.

**9. Preference Share Capital.**

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

**10. Shareholding Pattern of our Company and the Equity shares held by them is as follows:**

The table below represents the current Shareholding pattern of our Company as on the date of this Red Herring Prospectus:

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No of fully paid-up equity shares held (IV) | No of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total No of Shares held (VII = IV + V + VI) | Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII) | Number of Voting Rights held in each Class of securities (IX) | | No of underlying outstanding convertible securities (incl. Warrants) (X) | Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X) | Number of Locked in shares (XII) | | No. of shares Pledged or Otherwise Encumbered (XIII) | | No. of Equity shares held in Demat Form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of voting Right | Total as % of (A+B+C) | | | No (a) | As a % of total shares held (b) | No (a) | As a % of total shares held (b) | |
| **A** | Promoter and Promoter Group | 6 | 18,18,256 | -- | -- | 18,18,256 | 98.63 | 18,18,256 | 98.63 | -- | -- | -- | -- | -- | -- | 18,18,256 |
| **B** | Public | 1 | 25,328 | -- | -- | 25,328 | 1.37 | 25,328 | 1.37 | -- | -- | -- | -- | -- | -- | 25,328 |
| **C** | Non-Promoter Non-Public | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **C1** | Shares Underlying DRs | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| **C2** | Shares held by Employee Trusts | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | **Total (A+B+C)** | **7** | **18,43,584** | **--** | **--** | **18,43,584** | **100.00** | **18,43,584** | **100.00** | **--** | | **--** | **--** | **--** | **--** | **18,43,584** |

*Note:*

- *As on the date of this Red Herring Prospectus 1 Equity Share holds 1 vote*
- *PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.*
- *Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares.*

**11. The share holding pattern of our Promoter and Promoter Group before and after the Issue is set forth below:**

| Particulars | Pre-Issue | | Post-Issue* | |
|---|---|---|---|---|
| | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| **Promoter (A)** | | | | |
| Bindi Kunal Mehta | 17,76,168 | 96.34% | 17,76,168 | [●] |
| **Total (A)** | **17,76,168** | **96.34%** | **17,76,168** | [●] |
| **Promoter Group (B)** | | | | |
| Vedant Mukesh Mehta | 5,000 | 0.27% | 5,000 | [●] |
| Jahanvi Hardik Doshi | 15,200 | 0.82% | 15,200 | [●] |
| Varsha Mukesh Mehta | 10,144 | 0.55% | 10,144 | [●] |
| Mukesh Pranlal Mehta | 10,144 | 0.55% | 10,144 | [●] |
| Kunal Hemant Mehta | 1,600 | 0.09% | 1,600 | [●] |
| **Total (B)** | **42,088** | **2.28%** | **42,088** | **[●]** |
| **Public (C)** | | | | |
| Trilok Chand Kaithwas | 25,328 | 1.37% | 25,328 | **[●]** |
| **Total (C)** | **25,328** | **1.37%** | **25,328** | **[●]** |
| **Total (A+B)** | **18,43,584** | **100.00%** | **18,43,584** | **[●]** |

**Subject to Basis of Allotment*

**12. Except as mentioned below, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Red Herring Prospectus:**

| Sr. No. | Name of the Key Managerial Personnel | No. of Equity Shares (Face Value of ₹ 10 each) | Percentage of Pre-Issue Paid up Share Capital share capital (%) |
|---|---|---|---|
| 1. | Bindi Kunal Mehta | 17,76,168 | 96.34% |
| 2. | Vedant Mukesh Mehta | 5,000 | 0.27% |
| 3. | Varsha Mukesh Mehta | 10,144 | 0.55% |
| | **Total** | **17,91,312** | **97.16%** |

**13. Details regarding major shareholders:**

**(a) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Red Herring Prospectus:**

| Particulars | Number of Shares | Percentage (%) holding |
|---|---|---|
| Bindi Kunal Mehta | 17,76,168 | 96.34% |
| Trilok Chand Kaithwas | 25,328 | 1.37% |
| **Total** | **18,01,496** | **97.72%** |

**(b) List of shareholders holding 1% or more of the paid-up capital of our Company two (2) years prior to the date of this Red Herring Prospectus:**

| Particulars | Number of Shares | Percentage (%) holding |
|---|---|---|
| Bindi Kunal Mehta | 6,300 | 63.00% |
| Vedant Mukesh Mehta | 3,700 | 37.00% |
| **Total** | **10,000** | **100.00%** |

**(c) List of shareholders holding 1% or more of the paid-up capital of, our Company one (1) year prior to the date of this Red Herring Prospectus:**

| Particulars | Number of Shares | Percentage (%) holding |
|---|---|---|
| Bindi Kunal Mehta | 4,800 | 48.00% |
| Vedant Mukesh Mehta | 4,600 | 46.00% |
| Trilok Chand Kaithwas | 250 | 2.50% |
| Jahanvi H Doshi | 150 | 1.50% |
| Mukesh Pranlal Mehta | 100 | 1.00% |
| Varsha Mukesh Mehta | 100 | 1.00% |
| **Total** | **10,000** | **100.00%** |

**(d) List of shareholders holding 1% or more of the paid-up capital of our Company ten (10) days prior to the date of this Red Herring Prospectus:**

| Particulars | Number of Shares | Percentage (%) holding |
|---|---|---|
| Bindi Kunal Mehta | 17,76,168 | 96.34% |
| Trilok Chand Kaithwas | 25,328 | 1.37% |
| **Total** | **18,01,496** | **97.72%** |

**14.** Our Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Red Herring Prospectus.

**15.** 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 Red Herring Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis.

**16. Details of our Promoters' Shareholding**

As on the date of this Red Herring Prospectus, our Promoter Bindi Kunal Mehta holds 17,76,168 Equity Shares, constituting 96.34% of the pre- issued, subscribed and paid-up Equity Share capital of our Company.

***Build-up of our Promoters' shareholding in our Company***

| Date of Allotment/ Acquisition/ Sale | Number of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of Consideration (Cash/ Other than Cash) | Nature of Allotment | % of pre issue equity share capital | % of post issue equity share capital* |
|---|---|---|---|---|---|---|---|
| **Name of Promoter: Bindi Kunal Mehta** | | | | | | | |
| October 27, 2020 | 6,300 | 10 | 10 | Cash | Subscription to MOA | 0.34% | **[●]** |
| June 17, 2022 | (1,500) | 10 | Nil | Other than Cash | Transfer[(i)] | (0.08)% | **[●]** |
| April 13, 2023 | 51,890 | 10 | 168.11 | Other than Cash | By virtue of Business Transfer Agreement | 2.81% | **[●]** |
| April 24, 2023 | 8,50,350 | 10 | Nil | Other than Cash | Bonus Issue[(ii)] | 46.12% | **[●]** |
| June 16, 2023 | 8,69,128 | 10 | Nil | Other than Cash | Transfer from Vedant Mukesh Mehta as gift | 47.14% | **[●]** |
| **Total** | **17,76,168** | -- | -- | -- | -- | **96.34%** | **[●]** |

**Subject to finalization of Basis of Allotment*

*[(i)] Transfer of 900 Equity Shares to Vedant Mukesh Mehta, 250 Equity Shares to Trilok Chand Kaithwas, 150 Equity Shares to Jahanvi H Doshi, 100 Equity Shares to Mukesh Pranlal Mehta, 100 Equity Shares to Varsha Mukesh Mehta.*

*[(ii)] Bonus issue of 8,50,350 Equity Shares of Face Value of ₹ 10/- each in the ratio of 15:1 i.e. 15 (Fifteen) Bonus Equity Share for every 1 (One) Equity Shares held by shareholders.*

Note: None of the Equity Shares held by Bindi Kunal Mehta is subject to any pledge.

**17.** All the Equity Shares allotted and held by our Promoter were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoter are subject to any pledge.

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

| Name of the Promoter | No. of Equity Shares held | Average cost of Acquisition (in ₹) * |
|---|---|---|
| Bindi Kunal Mehta | 17,76,168 | 4.94 |

**As certified by Statutory Auditor Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated March 16, 2024.*

**19.** As on date of filing Red Herring Prospectus, we have 7 (Seven) shareholders.

**20. We hereby confirm that:**

i. None of the Promoter, Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Red Herring Prospectus.

ii. None of the Promoter, members of the Promoter Group, Directors and their immediate 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 this Prospectus.

**21. Details of Promoters' Contribution and Lock-in for Three Years**

Pursuant to the Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Red Herring Prospectus, our Promoter holds 17,76,168 Equity Shares constituting [●]% of the post Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

Our Promoter have granted consent to include such number of Equity Shares held by him as may constitute of the post issue Equity Share capital of our Company as Promoters' Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Red Herring Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoters' Contribution and his lock-in details are as follows:

| Date of Allotment/transfer/ made fully paid up | Nature of acquisition | Number of Equity Shares | Face Value per Equity Share (₹) | Issue price per Equity Share (₹) | % of Pre-Issue Equity Share Capital | % of Post-Issue Equity Share Capital | Lock-in Period |
|---|---|---|---|---|---|---|---|
| Bindi Kunal Mehta | | | | | | | |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| **Total** | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

(i) The Equity Shares acquired during the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets, or bonus shares issued out of revaluations reserves or unrealized profits or against equity shares which are otherwise ineligible for computation of Promoter's Contribution;

(ii) The Equity Shares acquired during the year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue is not part of the minimum promoter's contribution;

(iii) The Equity Shares held by the Promoter that are subject to any pledge or any other form of encumbrance.

(iv) Specific written consent has been obtained from the Promoter for inclusion of [●] Equity Shares for ensuring lock-in of three years to the extent of minimum [●] % of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.

(v) The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI (ICDR) Regulations. The Promoters' Contribution constituting [●] Equity Shares which is [●] % of the post issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

(vi) We further confirm that our Promoters' Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

(vii) Equity Shares allotted to our Promoter(s) during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue, upon conversion of a partnership firm or a limited liability partnership into the Company in the past one (1) year and such allotment is not against the capital existing in such firms for a period of more than one year on a continuous basis.

(viii) Except as detailed herein above, as on the date of this Red Herring Prospectus, the Equity Shares held by our Promoter are in dematerialised form.

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

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

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

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock- in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

**24. Pledge of Locked in Equity Shares**

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

a) if the equity shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;

b) if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

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

**25. Transferability of Locked in Equity Shares**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

a) The Equity Shares held by our Promoter and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoter or any person of the Promoter Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

b) The equity shares held by persons other than Promoter and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoter Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**26.** Our Company, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**27.** As per RBI regulations, OCBs are not allowed to participate in this Issue.

**28.** Our Company has not raised any bridge loans.

**29.** There are no Equity Shares against which depository receipts have been issued.

**30.** The Issue Price shall be determined by our Company and the Promoter, in consultation with the Book Running Lead Manager.

**31.** Our Promoter and the members of our Promoter Group will not participate in this Issue.

**32.** There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

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

**34.** 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 Red Herring Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing/ and or future organic and/ or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the issue appropriately in due compliance with the applicable statutory provisions

**35.** Our Promoter and the members of our Promoter Group will not participate in this Issue.

**36.** There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

**37.** Our Company will ensure that any transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing of this Red Herring Prospectus and Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

**38.** As on the date of this Red Herring Prospectus, the Book Running Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

**39.** No person connected with the Issue 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.

**40.** For the details of transactions by our Company with our Promoter Group, Group Companies during the last financial years i.e., 2023, 2022 and 2021, please refer to paragraph titled details of Related Parties Transactions as restated in the chapter titled ***"Restated Financial Statement"*** beginning on page **141** of this Red Herring Prospectus.

**41.** All the equity shares of our Company are fully paid up as on the date of this Red Herring Prospectus.

**42.** None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled ***"Our Management"*** beginning on page **121** of this Red Herring Prospectus.

## CHAPTER – IV – PARTICULARS OF THE ISSUE

## OBJECTS OF THE ISSUE

The Issue comprises of Fresh Issue of [●] Equity Shares of our Company at an Issue Price of ₹ [●] aggregating upto ₹ 476.00 lakhs. The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects *(collectively referred to as "Objects")*:

i. To meet working capital requirements;

ii. General Corporate Purpose

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE Limited.

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

**Net Proceeds**

The details of the proceeds from the Issue are set out in the following table:

| Particulars | Estimated Amount (₹ in lakhs) |
|---|---|
| Gross Proceeds from the Issue# | Upto ₹ 476.00 lakhs |
| Less: Issue Related Expenses | [●] |
| **Net Proceeds** | **[●]** |

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

**UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT**

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

***(₹ in lakhs)***

| Particulars | Amount to be funded from Net Proceeds | Estimated utilisation of Net Proceeds in FY 2023 – 24 |
|---|---|---|
| To meet working capital requirements | Upto 260.00 | Upto 260.00 |
| General corporate purposes * | [●] | [●] |

**To be finalised upon determination of Issue Price and updated in the Prospectus. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

We propose to deploy the entire Net Proceeds towards the Objects of the Issue by the end of the Financial Year 2024 and in the manner as specified in the table above. However, if the Net Proceeds are not completely utilized for the Objects of the Issue stated above by the end of Financial Year 2024, such amounts will be utilised (in part or full) in the next financial year FY 2025 or subsequent periods towards the aforementioned Objects of the Issue, as determined by us, in accordance with applicable law.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, current and valid quotations from suppliers, prevailing market conditions, which are subject to change, and other commercial and technical factors. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see *"**Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds**."* beginning on page no. **27** of this Red Herring Prospectus.

**DETAILS OF THE OBJECTS OF THE ISSUE**

**1. Working Capital Requirements**

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and borrowings. In order to support the incremental business requirements, our Company requires additional working capital for funding its incremental working capital requirements in the Financial Year 2024. The funding of the incremental working capital requirements of our Company will lead to a consequent increase in our profitability and achieving the proposed targets as per our business plan.

***Basis of estimation of working capital requirement***

We propose to utilise upto ₹ 260.00 lakhs from the Net Proceeds to fund the working capital requirements of our Company in the Financial Year 2024. The balance portion of our working capital requirement will be arranged from existing equity, internal accruals and borrowings from related parties.

Set forth below are the current assets and working capital requirement of our Company for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021and for the six month period ended September 30, 2023 as per the Restated Audited Financial Statement and as certified by Statutory Auditor, Maheshwari & Co, Chartered Accountant by way of their certificate dated March 16, 2024.

*(₹ in lakhs)*

| Particulars | For the six months period ended on September 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|---|---|---|---|
| **Current assets** | | | | |
| Inventories | 76.00 | 43.34 | 3.93 | 0.29 |
| Trade receivables | 521.72 | 528.44 | 49.06 | - |
| Short-Term Loans and Advances | 11.06 | 33.33 | 5.99 | 1.54 |
| Other Current Assets | 1.95 | 0.99 | - | - |
| **Total Current Assets (A)** | **610.73** | **606.10** | **58.98** | **1.83** |
| | | | | |
| **Current liabilities** | | | | |
| Trade payables | 165.62 | 192.33 | 15.04 | 0.32 |
| Short-Term Provisions | 61.75 | 42.26 | 25.28 | 0.35 |
| Other Current Liabilities | 10.66 | 7.61 | 1.90 | - |
| **Total Current Liabilities (B)** | **238.03** | **242.20** | **42.22** | **0.67** |
| | | | | |
| **Net working capital (A – B)** | **372.70** | **363.90** | **16.76** | **1.66** |
| | | | | |
| **Sources of funds** | | | | |
| Borrowings | 261.61 | 261.01 | 7.20 | 1.16 |
| Internal accruals / Equity | 111.09 | 102.89 | 9.56 | - |
| **Total Means of Finance** | **372.70** | **363.90** | **16.76** | **1.66** |

For further details, please see the chapter titled "***Restated Financials Statements***" on page **141** of this Red Herring Prospectus.

***Expected working capital requirements***

Details of the Company's projected working capital requirements for Financial Year ended March 31, 2024 with the assumptions and justifications, and the proposed funding of such working capital requirements, are as set forth below:

*(₹ in lakhs)*

| Particulars | As on March 31, 2024 |
|---|---|
| ***Current Assets*** | |
| Inventories | 110.00 |
| Trade receivables | 860.00 |
| Short-Term Loans and Advances | - |
| Other Current Assets | 15.60 |
| **Total Current Assets (A)** | **985.60** |
| ***Current Liabilities*** | |
| Trade payables | 320.00 |
| Short-Term Provisions | - |
| Other Current Liabilities | 38.00 |
| **Total Current Liabilities (B)** | **358.66** |
| | |
| **Net working capital (A – B)** | **627.60** |
| | |
| **Sources of funds** | |
| Borrowings | 260.00 |
| Internal accruals / Equity | 107.60 |
| IPO Proceeds | Upto 260.00 |
| **Total Means of Finance** | **627.60** |

Our Company proposes to utilize upto ₹ 260.00 lakhs from the Net Proceeds towards funding our working capital requirements. In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for Financial Years ended on March 31, 2024 will comprise of borrowings and internal accruals.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the Restated Financial Information for the Financial Years ended on March 31, 2023, Financial Years ended on March 31, 2022 and Financial Years ended on March 31, 2021, and the projections for the Financial Years ended on March 31, 2024 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

*(in days)*

| Particulars | As on March 31, 2024 | As on September 30, 2023 | As on March 31, 2023* | As on March 31, 2022* | As on March 31, 2021* |
|---|---|---|---|---|---|
| Inventories days | 15 | 15 | 12 | 6 | 102 |
| Receivable Days | 120 | 102 | 147 | 81 | - |
| Short term loans and advances | - | 2 | 9 | 10 | 536 |
| Payables days | 45 | 32 | 54 | 25 | 112 |

**As certified by Statutory Auditors, Maheshwari & Co Chartered Accountants pursuant to their certificate dated July 29, 2023*

The table below sets forth the key assumptions for our working capital projections:

| Particulars | Justification |
|---|---|
| Inventories | Financial Year 2021 was the first year of operations, since the Company was incorporated on October 27, 2020. The holding levels of inventories was therefore at 102 days. However, the inventory holding days rationalised to 6 days in the Financial Year 2022. The higher inventory days of 12 in Financial Year 2023 is on account of purchase of |

| | |
|---|---|
| | trading business of M/s Kosmo Ventures, proprietorship firm of our Promoter. Inventory levels generally tend to vary depending on the factors such as order and delivery schedules, etc. Further, inventory days for the period ended September 30, 2023, are 15 days. Hence, we consider the holding period for inventory to stay around 15 days for the Financial Year 2024. |
| Trade Receivables | Financial Year 2021 was the first year of operations, since the Company was incorporated on October 27, 2020. The holding levels of trade receivables were almost NIL. However, the trade receivables days were at 81 days in the Financial Year 2022 and 147 days in in the Financial Year 2023. The trade receivable was also higher on account of acquisition of the business of M/s. Kosmo Ventures, proprietorship firm of our Promoter which is engaged in trading of steel products. Further, the higher trade receivable days is also attributable to higher revenue from operations. Further, inventory days for the period ended September 30, 2023, are 102 days.<br>We expect the holding level of trade receivable to stay around 120 days for the Financial Year 2024 |
| Trade Payable | The holding levels of trade payable were at 25 days in the Financial Year 2022 and 54 days in in the Financial Year 2023. The holding levels of trade payables increased to 54 days in Financial 2023 due to increase in revenue for operations. Further, inventory days for the period ended September 30, 2023, are 32 days. We expect the holding level of trade payable to stay around 45 days for the Financial Year 2024 |

**2. General Corporate Purposes**

Our Company intends to deploy any balance Net Proceeds towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time.

General corporate purposes may include, but are not restricted to, the following:

a. strategic initiatives;

b. funding growth opportunities and capital expenditure;

c. strengthening marketing capabilities and brand building exercises;

d. meeting ongoing general corporate contingencies;

e. meeting fund requirements of our Company, in the ordinary course of its business;

f. meeting expenses incurred in the ordinary course of business; and

g. any other purpose, as may be approved by the Board, subject to applicable law.

**3. Issue Related Expenses**

The total expenses of the Issue are estimated to be ₹ [●] lakhs. The break-up for the Issue expenses is as follows:

| Activity | Estimated Amount (₹ in lakhs) | As a % of total estimated issue expenses (1) | As a % of issue size (1) |
|---|---|---|---|
| Book Running Lead Manager(s) fees including underwriting commission | [●] | [●] | [●] |
| Brokerage, selling commission and upload fees | [●] | [●] | [●] |
| Registrars to the issue | [●] | [●] | [●] |
| Legal Advisors | [●] | [●] | [●] |
| Advertising and marketing expenses | [●] | [●] | [●] |
| Regulators including stock exchanges | [●] | [●] | [●] |
| Printing and distribution of issue stationary | [●] | [●] | [●] |
| Others, if any (to be specified) | [●] | [●] | [●] |

| Activity | Estimated Amount (₹ in lakhs) | As a % of total estimated issue expenses (1) | As a % of issue size (1) |
|---|---|---|---|
| **Total** | Upto [●] | [●] | [●] |

***Notes:***

1. *The fund deployed out of internal accruals up to [●] is [●] lakhs towards issue expenses vide certificate dated [●] received from [●] and the same will be recouped out of issue expenses.*
2. *Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs Selling commission payable to the SCSBs on the portion for Retail Individual Investors. Non-Institutional Investors, which are directly procured by the SCSBs, 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)* |

** 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*

*Notwithstanding anything contained above in this clause the total selling commission fees payable to the SCSBS 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 fees will be paid on pro-rata basis.*

*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:*

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

*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* | *₹8 per valid application* (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 and other applicable law* |

**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.*

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

**Based on valid applications*

*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 ₹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 Noninstitutional 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*

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

**Interim use of Net Proceeds**

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies. Further, our Company confirms that the borrowings proposed to be repaid from the Net Proceeds have not been utilised towards any payments, repayment / refinancing of any loans availed form the Promoter Group or Group Companies.

**Bridge financing facilities and other financial arrangements**

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

**Monitoring of Utilisation of Funds**

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

**Appraising Agency**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

**Shortfall of Funds**

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

**Variation in Objects**

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act.

**Other Confirmations**

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoter, members of the Promoter Group, Directors, or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoter, members of the Promoter Group, Directors or Key Management Personnel in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

## BASIS FOR ISSUE PRICE

The Price Band and Issue Price of ₹ [ ● ] per Equity Share is determined by our Company, in consultation with the Book Running Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share. The Issue Price is [ ● ] times the face value.

Investors should refer chapters titled ***"Risk Factors", "Business Overview", "Restated Financial Statements" and "Management Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on pages **27**, **96** and **170**, respectively of this Red Herring Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

**Qualitative Factors**

Some of the qualitative factors, which form the basis for computing the price, are:

1. Diversified customer base;
2. Diversified and Established Product;
3. Quality Assurance
4. Experienced Promoter and Director with extensive domain knowledge

For further details, refer heading **"*Our Competitive Strengths*"** under Chapter titled ***"Business Overview"*** beginning on page **96** of this Red Herring Prospectus.

**Quantitative Factors**

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

**1. Basic and Diluted Earnings per Share (EPS)**

| Year / Period ended | Pre-Bonus | | Post-Bonus | |
|---|---|---|---|---|
| | Basic EPS and Diluted EPS | Weights | Basic EPS and Diluted EPS | Weights |
| March 31, 2021 | (8.75) | 1 | (0.55) | 1 |
| March 31, 2022 | 94.42 | 2 | 5.90 | 2 |
| March 31, 2023 | 242.69 | 3 | 15.17 | 3 |
| **Weighted Average** | **151.36** | | **9.46** | |
| For the six months period ended on September 30, 2023 | 64.74 | - | 2.22 | - |

***Notes:***

- *The face value of each Equity Share is ₹ 10.*
- *Basic and diluted Earnings per share calculations are in accordance with Indian GAAP and Accounting Standard as applicable and based on the Restated Financial Statement of our Company.*
- *Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no. of equity shares outstanding during the year (Post effect of bonus) /period as per Restated Financial Statement*
- *Weighted Average EPS = Aggregate of Year wise weighted EPS divided by the Aggregate weights i.e [(EPS *Weights) for each year / Total Weights]*
- *The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the Restated Financial Statements.*
- *Our Company issued bonus in the ratio of 15 Equity Shares for every 1 share held to the existing shareholders as fully paid bonus shares on April 24, 2023. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in the periods reported.*

**2. Price to Earnings (P/E) ratio in relation to the Price Band of ₹ 66 - ₹ 70 per Equity Share of ₹ 10 each fully paid up**

| Particulars | P/E ratio |
|---|---|
| P/E ratio based on Basic & Diluted EPS for the financial year ended March 31, 2023 (Pre-Bonus) | [ ● ] |
| P/E ratio based on Basic & Diluted EPS for the financial year ended March 31, 2023 (Post Bonus) | [ ● ] |
| **Industry Peer Group P/E ratio** | |
| Highest | [●] |
| Lowest | [●] |

| Particulars | P/E ratio |
|---|---|
| Average | [●] |

*Note-*

*The industry P / E ratio mentioned above is for the financial year ended March 31, 2023. All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges. The highest and lowest industry P/E has been considered from the industry peer set provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, please refer to the chapter titled **"Restated Financial Statements"** beginning on page 141of this Red Herring Prospectus.*

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

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

| Year Ended | RONW (%) | Weight |
|---|---|---|
| March 31, 2021 | (733.33%) | 1 |
| March 31, 2022 | 98.74% | 2 |
| March 31, 2023 | 35.51% | 3 |
| **Weighted Average** | **(71.55%)** | **6** |
| **For the six months period ended as on September 30, 2023** | **16.20%** | |

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

1. *Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end.*
2. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
3. *Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Information.*

### 4. Net Asset Value (NAV)

| Particulars | Pre-Bonus (₹ Per Share) | Post- Bonus (₹ Per Share) |
|---|---|---|
| Net Asset Value per Equity Share as of March 31, 2023 | 683.34 | 42.71 |
| Net Asset Value per Equity Share after IPO | [●] | [●] |
| Net Asset Value per Equity Share as on September 30, 2023* | 399.67 | 13.73 |
| Issue Price per equity share | [●] | [●] |

**not annualized*

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

i. *NAV =Net worth excluding revaluation reserve*
ii. *The figures disclosed above are based on the Restated Financial Statement of our Company*
iii. *Net Asset Value per Equity Share = Net worth as per the Restated Financial Statements/ Weighted average number of Equity Shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue.*

| As at | NAV per Equity Share (in ₹) |
|---|---|
| **(i) At Floor Price** | **[●]** |
| **(ii) At Cap Price** | **[●]** |
| Issue Price(1) | **[●]** |

**(1) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.**

### 5. Comparison with industry peers

While there are no listed companies that exclusively undertake the trading of couplers, we have considered comparable companies engaged in trading of TMT Bars and other steel products which is similar to the activities of our Company. Hence, basis factors such as the scale of the business, trading of TMT Bars and other steel product, a proxy set of listed peers i.e., Shiv Aum Steels Limited and SRU Steels Limited (the "Industry Peers") have been identified for our Company.

| Name of the Company | Face Value (₹) | Revenue from Operations (₹ in Lakhs) | EPS Diluted (₹) | EPS (Diluted) (₹) | P/E [x] | Return on Net Worth (%) | Net Asset Value Per Equity Share (₹) |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| Vruddhi Engineering Works Limited | 10.00 | 1307.69 | 242.66* | 242.66* | **[●]** | 35.51% | 42.71* |
| Shiv Aum Steels Limited | 10.00 | 49,592.70 | 10.53 | 10.53 | 29.63 | 14.95% | 70.40 |
| SRU Steels Limited | 10.00 | 1,671.64 | 0.87 | 0.87 | 11.47 | 5.26% | 11.09 |

**Without giving effect to bonus issue of Equity Shares*

*Notes:*

1. Net Asset Value per Equity Share is calculated as net worth attributable to equity shareholders as at the end of Fiscal period/year divided by the weighted average number of Equity Shares used in calculating basic earnings per share.
2. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the year ended March 31, 2022 submitted to Stock Exchanges.
3. P/E Ratio has been computed based on the closing market price of equity shares on BSE Ltd/NSE on March 14, 2024 divided by the Diluted EPS for the year ended March 31, 2023 except for Shiv Aum Steels Limited the last trading closing price was taken i.e., January 03, 2024.
4. Return on Net Worth is computed as restated net profit/(loss) after tax attributable to equity holders of our Company divided by restated Net Worth for Equity Shareholders of our Company.

**6. The Issue price is [●] times of the face value of the Equity Shares**

The Issue Price of ₹ [●] per equity share has been determined by the Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the equity shares through the book built issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with ***"Risk Factors", "Business Overview", "Management's Discussion and Analysis of Financial Position and Results of Operations"*** and ***"Restated Financial Statement"*** beginning on pages **27**, **96**, **170** and **141**, respectively of this Red Herring Prospectus, to have a more informed view. The trading price of the equity shares could decline due to the factors mentioned in the chapter titled *"**Risk Factors"*** and you may lose all or part of your investments.

**7. 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 Statutory Auditor, Maheshwari & Co., Chartered Accountants, by their certificate dated March 16, 2024.

The KPIs of our Company have been disclosed in the chapters titled ***"Business Overview"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators"*** on pages **96** and **170**, respectively. We have described and defined the KPIs, as applicable, in ***"Definitions and Abbreviations"*** on page **2**.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter 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.

*(₹ in lakhs)*

| Particulars | For the six months period ended September 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|---|---|---|---|
| Revenue from Operations (1) | 935.33 | 1,307.69 | 220.65 | 0.44 |
| Growth in Revenue from Operations (2) | NA | 492.65% | 49,611.69% | NA |
| EBITDA (3) | 97.3 | 135.06 | 14.35 | (0.88) |
| EBITDA Margin (4) | 10.40% | 10.33% | 6.50% | (198.26%) |
| Restated Profit After Tax for the Year | 41.01 | 75.33 | 9.44 | (0.88) |
| PAT Margin (5) | 4.38% | 5.76% | 4.28% | (197.20%) |
| Net Worth (6) | 253.13 | 212.12 | 9.56 | 0.12 |
| Capital Employed | 554.74 | 535.50 | 57.05 | 2.34 |
| ROE% (7) | 16.20% | 35.51% | 98.76% | (701.86%) |
| ROCE% (8) | 15.53% | 21.57% | 22.26% | (37.53%) |

*Notes:*

*1)* Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
*2)* Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
*3)* EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income
*4)* EBITDA Margin is calculated as EBITDA divided by Revenue from operations
*5)* PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
*6)* Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
*7)* Return on Equity is ratio of Profit after Tax and average Shareholder Equity
*8)* Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).

*Explanation of 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 |
| Growth in Revenue from Operations | Growth in Revenue from Operations provides information regarding the growth of our business for respective periods |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| Net worth | Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity. |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders 'funds. |
| RoCE% | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |

Comparison of financial KPIs of our Company and our listed peers

| Particulars | Vruddhi Engineering Works Limited | | | Shiv Aum Steels Limited | | | SRU Steels Limited | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2023 | March 31, 2022 | March 31, 2021 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Revenue from | 1,307.69 | 220.65 | 0.44 | 49,592.70 | 40,682.57 | 26,699.26 | 1,671.64 | 1,501.05 | 2,625.15 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| operations (₹ in lakhs) (1) | | | | | | | | | |
| Growth in Revenue from Operations (%) (2) | 492.65% | 49,611.69% | NA | 21.09% | 52.37% | (21.28%) | 11.36% | (42.82%) | (31.76%) |
| EBITDA (₹ in lakhs) (3) | 135.06 | 14.35 | (0.88) | 2,372.63 | 2059.31 | 700.02 | 135.85 | 52.11 | 5.32 |
| EBITDA Margin (%) (4) | 10.33% | 6.50% | (198.26%) | 4.78% | 5.06% | 2.62% | 8.13% | 3.47% | 0.20% |
| Restated Profit After Tax for the Year (₹ in lakhs) | 75.33 | 9.44 | (0.88) | 1431.83 | 1249.13 | 216.87 | 69.86 | 23.00 | 21.15 |
| PAT Margin% (5) | 5.76% | 4.28% | (197.20%) | 2.89% | 3.07% | 0.81% | 4.18% | 1.53% | 0.81% |
| Net Worth (6) | 212.12 | 9.56 | 0.12 | 9,575.33 | 8,143.49 | 6,894.36 | 1,329.34 | 1,267.47 | 1,244.36 |
| Capital Employed | 535.50 | 57.05 | 2.34 | 15462.59 | 12714.12 | 11903.30 | 1641.15 | 1623.26 | 1583.28 |
| RoE (%) (7) | 35.51% | 98.76% | (701.86%) | 14.95% | 15.34% | 3.15% | 5.26% | 1.81% | 1.70% |
| RoCE (%) (8) | 21.57% | 22.26% | (37.53%) | 15.82% | 16.27% | 6.14% | 7.68% | 2.81% | 4.72% |

Notes:

*(1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*

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

*(3) EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost - Other Income.*

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

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

*(6) Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Information.*

*(7) Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth attributable to the owners of the company.*

*(8) Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.*

*-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.*

*-Capital Employed is calculated as total equity plus total borrowings*

**8. Comparison of KPIs based on additions or dispositions to our business**

The set forth below are acquisitions made by our Company during the last three financial years ended March 31, 2023, March 31, 2022 and March 31, 2020;

| Name | Date of Acquisition | Financial year in which tranches of consideration was paid | Date of Allotment | Number of equity shares allotted | Price ₹ | Consideration paid (₹ in lakhs) |
|---|---|---|---|---|---|---|
| Kosmo Ventures (Proprietorship of Bindi Kunal Mehta) | January 31, 2023 | 2023-24 | April 13, 2023 | 51,890 Equity Shares | 168.11 | 87.23 |

Note:

The Comparison of KPIs over time from the period/year of undertaking such material acquisition until the last completed financial year is not provided.

**9. Weighted average cost of acquisition**

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

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

**Primary Transactions:**

Except as disclosed below, there have been no primary transactions in the last 18 months preceding the date of this 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 |
|---|---|---|---|---|---|---|
| November 07, 2022 | 53,334 | 10 | 75 | Right Issue | Cash | 40,00,050.00 |
| April 13, 2023 | 51,890 | 10 | 168.11 | Preferential Allotment | Other than Cash | 87,23,227.90 |
| **Weighted average cost of acquisition (WACA)** | | | | | | **120.92** |

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

Except gift of Equity Shares made by our Promoter and members of the Promoter Group, there have been no secondary sale / acquisitions of Equity Shares, where the Promoter, 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 transactions to report 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 not applicable.

Weighted average cost of acquisition and Offer Price:

| Type of Transactions | Weighted average cost of acquisition (₹ per Equity Shares) | Issue Price |
|---|---|---|
| Weighted average cost of acquisition of primary / new issue as per paragraph 9(a) above. | 120.92 | [●] |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 9(b) above. | NA | [●] |
| Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 9(c) above. | NA | [●] |

**Detailed explanation for Issue Price being [●] times of WACA of primary issuance price/secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for six months period ended September 30, 2023 and Fiscal 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the issue, if any.**

For details of our Company's key performance indicators and financial ratios, please refer to chapters entitled ***"Basis of Issue"*** and ***"Business Overview"*** on pages **74** and **96** respectively. The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Book Running Lead Manager. The trading price of the Equity Shares could decline due to the factors mentioned in the chapter entitled ***"Risk Factors"*** or any other factors that may arise in the future and you may lose all or part of your investments.

Our Company in consultation with the Book Running Lead Manager, is justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the chapters entitled ***"Risk Factors", "Business Overview"*** and ***"Restated Financial Statement"*** on pages **27**, **96** and **141**, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the chapter entitled ***"Risk Factors"*** or any other factors that may arise in the future and you may lose all or part of your investments.

The Price Band/ Floor Price/ Cap Price/ Issue 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 "***Business Overview***", "***Risk Factors***" and "***Restated Financial Statements***" on pages **96**, **27** and **141** 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 TAX BENEFITS

**To,**

**The Board of Directors**

**Vruddhi Engineering Works Limited**

**(CIN-U28246MH2020PLC348853)**

OFFICE NO 603, 6TH FLOOR, CELLO - THE PLAZA,

V P ROAD, VILE PARLE WEST

Mumbai City- 400056

Dear Sirs,

**Sub: Statement of Tax Benefits ('The Statement') available to Vruddhi Engineering Works Limited ("The Company") (CIN-U27100MH2020PLC348853) and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of Vruddhi Engineering Works 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.

c) The revenue authorities/courts will concur with the views expressed herein.

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

**LIMITATIONS**

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Offer Document/ Offer Document or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Maheshwari & Co.**

**Chartered Accountants**

**Firm Registration No - 105834W**

sd/

**Vikas Asawa**

**(Partner)**

**M. No. 172133**

**UDIN: 24172133BKAKOO3475**
**Date: 28th February, 2024**

**Place: Mumbai**

## 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:**

For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.

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.

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 35(1) or Section 35(2AA) or Section 35(2AB)
- Deduction under section 35AD or Section 35CCC or Section 35CCD
- Deduction under section 80G or Section 80JJAA or Section 80M

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 2021-22 onwards.

## CHAPTER V: ABOUT THE COMPANY

## INDUSTRY OVERVIEW

*Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this chapter is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Book Running Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.*

*Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see* ***"Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data"*** *beginning on page* ***16*** *of this Red Herring Prospectus.*

### INTRODUCTION

The real estate sector is one of the most globally recognized sectors. It comprises of four sub-sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In India, the real estate sector is the second-highest employment generator, after the agriculture sector. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term.

India's high growth imperative in 2023 and beyond will significantly be driven by major strides in key sectors with infrastructure development being a critical force aiding the progress.

Infrastructure is a key enabler in helping India become a US$ 26 trillion economy. Investments in building and upgrading physical infrastructure, especially in synergy with the ease of doing business initiatives, remain pivotal to increase efficiency and costs. Prime Minister Narendra Modi also recently reiterated that infrastructure is a crucial pillar to ensure good governance across sectors.

The government's focus on building infrastructure of the future has been evident given the slew of initiatives launched recently. The US$ 1.3 trillion national master plan for infrastructure, Gati Shakti, has been a forerunner to bring about systemic and effective reforms in the sector, and has already shown a significant headway.

Infrastructure support to nation's manufacturers also remains one of the top agendas as it will significantly transform goods and exports movement making freight delivery effective and economical.

The "Smart Cities Mission" and "Housing for All" programmes have benefited from these initiatives. Saudi Arabia seeks to spend up to US$ 100 billion in India in energy, petrochemicals, refinery, infrastructure, agriculture, minerals, and mining.

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

In order to meet India's aim of reaching a US$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

### MARKET SIZE

By 2040, real estate market will grow to ₹ 65,000 crore (US$ 9.30 billion) from ₹ 12,000 crore (US$ 1.72 billion) in 2019. Real estate sector in India is expected to reach US$ 1 trillion in market size by 2030, up from US$ 200 billion in 2021 and contribute 13 % to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

India's real estate sector saw over 1,700 acres of land deals in top eight cities in the first nine months of FY22. Foreign investments in the commercial real estate sector were at US$ 10.3 billion from 2017-2021. As of February 2022, developers expect demand for office spaces in SEZs to shoot up after the replacement of the existing SEZs act.

As per ICRA estimates, Indian firms are expected to raise >₹ 3.5 trillion (US$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US$ 29 billion to date.

The office market in the top eight cities recorded transactions of 22.2 msf from July 2020 to December 2020, whereas new completions were recorded at 17.2 msf in the same period. In terms of share of sectoral occupiers, Information Technology (IT/ITeS) sector dominated with a 41% share in the second half of 2020, followed by BSFI and Manufacturing sectors with 16% each, while Other Services and Co-working sectors recorded 17% and 10%, respectively.

Around 40 million square feet were delivered in India in 2021. It is expected that the country will have a 40% market share in the next 2-3 years. India is expected to deliver 46 million square feet in 2022.

According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.

In 2020, the manufacturing sector accounted for 24% of office space leasing at 5.7 million square feet. SMEs and electronic component manufacturers leased the most between Pune, Chennai and Delhi NCR, followed by auto sector leasing in Chennai, Ahmedabad and Pune. The 3PL, e-commerce and retail segments accounted for 34%, 26% and 9% of office space leases, respectively. Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.

In 2022, office absorption in the top seven cities stood at 38.25 million Sq. ft.

In the third quarter of 2021 (between July 2021-September 2021), new housing supply stood at ~65,211 units, increased by 228% YoY across the top eight cities compared with ~19,865 units launched in the third quarter of 2020.

According to the Economic Times Housing Finance Summit, about three houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US$ 122 billion), which would be 3.3% of GDP.

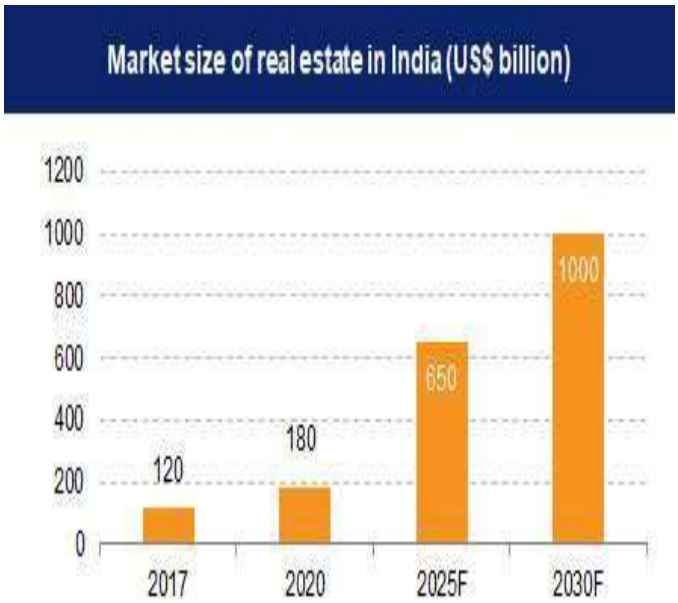
Started with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under development phase with an estimated investment of US$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 in the roads and bridges sub-sector.

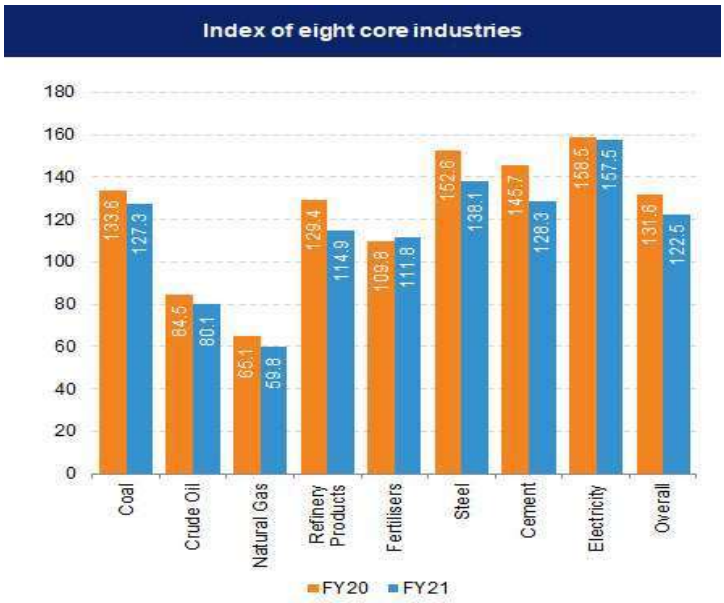
India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities as of September 2022.

At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

India plans to spend US$ 1.4 trillion on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US$ 81.72 billion. India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. As of 22 August, 2022, 122.69 lakh houses have been sanctioned, 103.01 lakh houses have been grounded, and 62.21 lakh houses have been completed, under the Pradhan Mantri Awas Yojna scheme (PMAY-Urban).

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. India is expected to become the third-largest construction market globally by 2022. Indian logistics market is estimated to touch US$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over FY21-26 driven by spending on water supply, transport and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the 10th five year plan as against 9% in the 11th five year plan. Further, US$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five year plan, with 40% of the funds coming from the private sector.

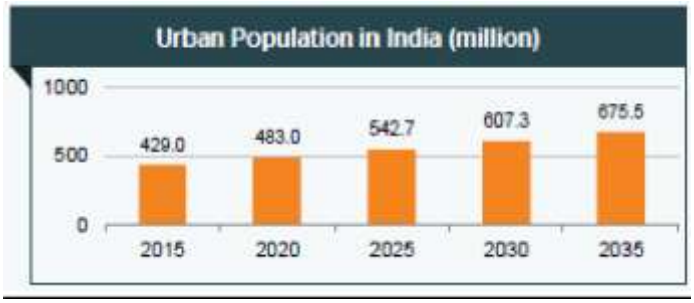


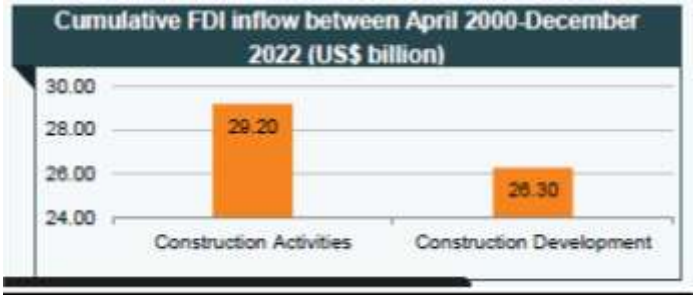




**EXECUTIVE SUMMARY**

- In India, the real estate sector is the second-highest employment generator, after the agriculture sector.
- Real estate sector in India is expected to reach US$ 1 trillion by 2030. By 2025, it will contribute 13% to the country's GDP.
- Rapid urbanisation bodes well for the sector. The number of Indians living in urban areas is expected to reach 542.7 million by 2025 and 675.5 million by 2035.
- Construction is the third-largest sector in terms of FDI inflow. FDI in the sector (including construction development & activities) stood at US$ 55.50 billion from April 2000-December 2022.
- Government of India's 'Housing for All' initiative is expected to bring US$ 1.3 trillion investment in the housing sector by 2025.
- India's Global Real Estate Transparency Index ranking improved by three notches from 39 to 36 since the past eight years from 2014 until 2022 on the back of regulatory reforms, better market data and green initiatives, according to property consultant JLL.
- Home sales across top eight cities in India surged 68% YoY to reach ~308,940 units in 2022, signifying a healthy recovery in the sector.
- The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.
- High budgetary allocation for Infrastructure:
  - In Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US$ 122 billion), which would be 3.3% of GDP.
  - Infrastructure Finance Secretariat is established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure.
- Increasing Private Sector involvement:
  - The Indian government has introduced various formats in order to attract private investments, especially in roads and highways, airports, industrial parks and higher education and skill development sectors.
  - Private Equity-Venture Capital firms invested US$ 46 billion (across 1,261 deals) in Indian companies in 2022.
- Rising Foreign Direct Investment (FDI) in the sector

- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US$ 26.23 billion and US$ 28.95 billion, respectively, between April 2000-September 2022.




**ADVANTAGE INDIA**

**1) Increasing Investments**

- Driven by increasing transparency and returns, there's a surge in private investment in the sector.
- The Private Equity Investments in India's real estate sector, stood at US$ 3.4 billion in 2022.
- FDI in the sector (including construction development & activities) stood at US$ 55.5 billion from April 2000-December 2022.
- Under Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹ 10 lakh crore (US$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.
- Under Budget 2023-24, Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

**2) Robust Demand**

- According to Savills India, real estate demand for data centres is expected to increase by 15-18 million sq. ft. by 2025.
- According to a Knightfrank report, India's real estate sentiment index stood at an optimistic score of 59 in the fourth quarter of 2022.
- Organised retail real estate stock is expected to increase by 28% to 82 million sq. ft. by 2023.
- India has to enhance its infrastructure to reach its 2025 economic growth target of US$ 5 trillion.
- India's population growth and economic development requires improved transport infrastructure, including through investments in roads, railways, and aviation, shipping and inland waterways.

**3) Attractive Opportunities**

- Rising international real estate development is expected to provide potential growth opportunity to the Indian market. For example, an MoU signed between J&K and the Government of Dubai (in October 2021) for the development of real estate projects (such as industrial parks, IT towers and super specialty hospitals) is expected to boost growth in the union territory.

- As per ICRA estimates, Indian firms are expected to raise >₹ 3.5 trillion (US$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US$ 29 billion to date.
- Private market investor, Blackstone, which has significantly invested in the Indian real estate sector (worth ₹ 3.8 lakh crore (US$ 50 billion), is seeking to invest an additional ₹ 1.7 lakh crore (US$ 22 billion) by 2030.
- Development of infrastructure has a multiplier effect on demand and efficiency of transport and increases commercial and entrepreneurship opportunities.
- In June 2022, Minister of Road Transport and Highways, opened 15 national highway projects worth ₹ 13,585 crore (US$1.7 billion) in Patna and Hajipur, Bihar.
- In October 2021, Dubai government and India signed a contract in October 2021 to build infrastructure in Jammu and Kashmir, including industrial parks, IT towers, multipurpose towers, logistics centres, medical colleges, and specialized hospitals.

**4) POLICY SUPPORT**

- The Government has allowed FDI of up to 100% for townships and settlements development projects.
- Under the 'Housing for All' scheme, 20 million houses are to be built by 2022, GST rate is brought down to 5%.
- In the Union Budget 2023-24, the Finance Ministry has announced a commitment of ₹ 79,000 crore (US$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year.
- Under Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹ 10 lakh crore (US$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.
- Under Budget 2023-24, Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

**STRATEGIES ADOPTED**

**1) Diversified portfolio**

- Having a diverse portfolio of residential, commercial and township developments.
- Companies have projects in various strategic geographic locations in order to diversify risks.
- Focus on the growth of lease business.
- Housing finance companies and private equity (PE) companies have started focusing on affordable housing.

**2) Backward integration**

- An architectural, structural and interior studio and a metal and glazing factory.
- Interiors, wood working factory, and concrete block making plant.

**3) Merger & Acquisition (M&A)**

- In April 2022, Anarock acquired a 75% stake in flexible workspace providing startup my HQ, in a cash and stock deal of ₹ 125 crore (US$ 153 million).
- To establish an investment platform for the Indian retail-led mixed-use assets, in June 2021, GIC announced to acquire a minority stake in Phoenix Mills's portfolio (worth US$ 733 million).
- In November 2021, Ascendas India bought Aurum Ventures' 16-storey commercial tower in Navi Mumbai for ₹ 353 crore (US$ 47 million), making it the largest deal of a standalone commercial tower by a global institutional investor during the past few years.
- In May 2021, Blackstone Real Estate acquired Embassy Industrial Parks for ₹ 5,250 crore (US$ 716.49 million) to expand its presence in the country.

**4) Risk management in land sourcing**

- Joint venture with landowners instead of amassing land banks. For example - Oberoi Realty, a Mumbai based realty firm, adopted this strategy while entering the NCR region.

- On July 23, 2020, Sunteck Realty entered a joint development agreement with landowners to construct a housing project in the Mumbai Metropolitan Region (MMR), having a revenue potential of ₹ 5,000 crore (US$ 709.32 million) over the next five-seven years.

**5) Superior execution**

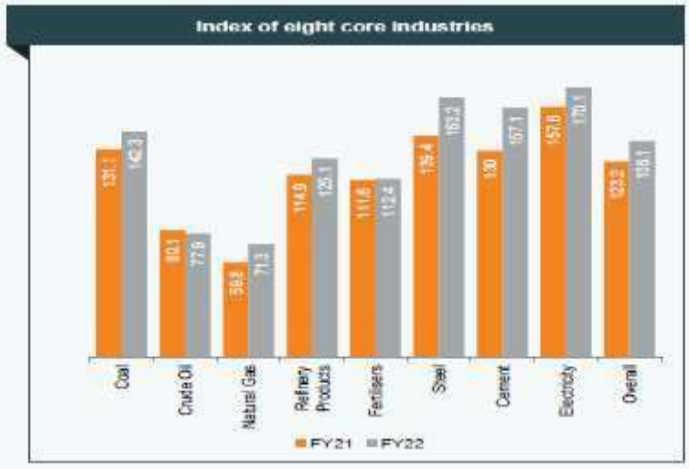
- Outsourced support functions
- Focus on delivery capability
- Development of world class infrastructure
- Rationalising costs

**6) Strategic Partnership**

- L&T Realty Ltd and Singapore-listed CapitaLand India Trust Management Pte. Ltd., entered into a non-binding term sheet for a commercial platform to develop close to 6 million sq ft of office space across Bengaluru, Chennai and Mumbai.
- REA India-owned online real estate company Housing.com tied up with online legal assistance start-ups LegalKart, Lawrato, Vidhikarya and Vakil in 2021 to offer legal advice and assistance to homebuyers.

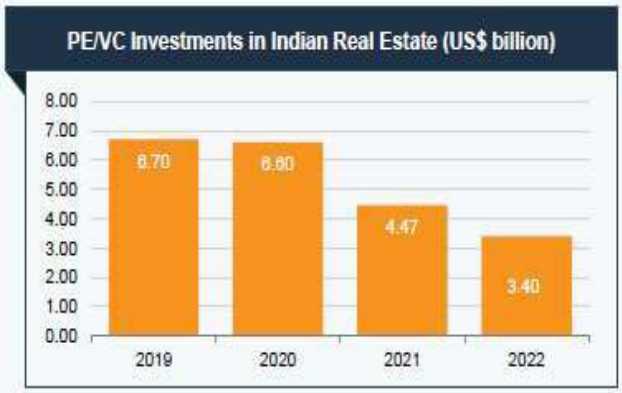
**PERFORMANCE OF EIGHT CORE INFRASTRUCTURE INDUSTRIES**

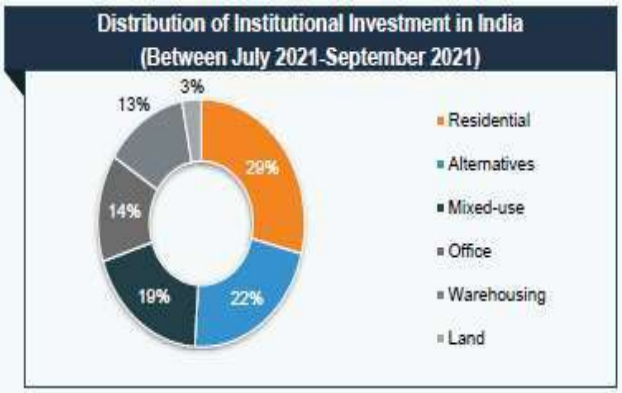
- The production of Coal, Electricity, Steel, Cement, Fertilizers, Refinery Products and Natural Gas increased in December 2022.
- The combined Index of Eight Core Industries (ICI) increased by 7.4% (provisional) in December 2022.
- In December 2022, the combined index of eight core industries stood at 152.2* driven by the production of coal, refinery products, fertilizers, steel, electricity and cement industries.
- The cumulative growth rate of ICI during April-December 2022 was 8.0 % (provisional) as compared to the corresponding period of last year.




**PE INVESTMENTS ON THE RISE**

- RBI proposed to allow banks to invest in real estate investment trusts and infrastructure investment trusts, attracting more institutional investors to such assets. Indian Banks, which are allowed to invest about 20% of their net-owned funds in equity-linked mutual funds, venture capital (VC) funds and stocks, could invest in these trusts within this limit.
- In 2022, private equity investment inflows into the real estate sector in India stood at US$ 3.40 billion.
- In February 2023, Mumbai has ranked at the seventh position in Asia Pacific as a preferred destination for cross-border investments in the real estate sector.
- Foreign portfolio investment in the Indian real estate sector stood at ₹ 3,671 crore (US$ 497 million) in March 2021.
- In the third quarter of 2021, the Institutional real estate investment in India increased by 7% YoY. Investment registered in the first nine months of 2021 stood at US$ 2,977 million, as against US$ 1,534 million in the same period last year.
- Top three cities—Mumbai (~39%), NCR-Delhi (~19%) and Bengaluru (~19%)—attracted ~77% of the total investments recorded in the third quarter of 2021.
- In 2022, India is projected to get cross-border real estate investment of US$ 2.5 billion.
- Blackstone is one of the largest private market investors in India, managing about ₹ 3,694 crore (US$ 50 billion) of market value in the real estate sector. The company anticipates investing >₹ 1,625 crore (US$ 22 billion) in the next 10 years.




## OPPORTUNITIES IN INFRASTRUCTURE

**1) Urban Indian real estate**

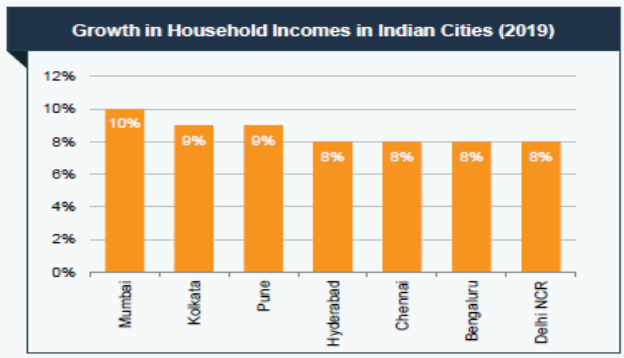
- As a result of digitalisation and opportunities that tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to the new era of infrastructure growth.
- Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insuranceocused organizations are increasingly decentralizing their operations to adapt to the new normal.
- The residential sector has witnessed good sales, and launches have also shown signs of an uptick during 2022, total sales in the top-7 cities was projected to exceed 360,000 units in 2022.

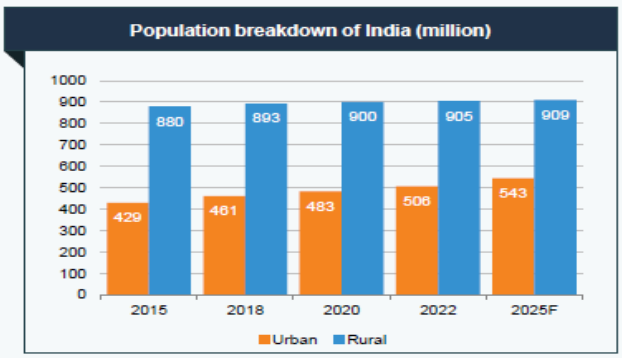
**2) National Infrastructure Pipeline**

- Started with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports.
- Under the initiative, 2476 projects are under development phase with an estimated investment of US$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 in the roads and bridges sub-sector.

## ECONOMIC GROWTH ALONG WITH GROWING URBANISATION IS BOOSTING REAL ESTATE DEMAND

- The Indian economy has experienced robust growth in the past decade and is expected to be one of the fastest growing economies in the coming years.
- India's urban population is expected to reach 543 million by 2025, up from an estimated 506 million in 2022.
- Rising income and employment opportunities have led to more urbanisation and more affordability for real estate in cities.




## GOVERNMENT INITIATIVES

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- In the Union Budget 2023-24, the Finance Ministry has announced a commitment of ₹ 79,000 crore (US$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year.
- In October 2021, the RBI announced to keep benchmark interest rate unchanged at 4%, giving a major boost to the real estate sector in the country. The low home loan interest rates regime is expected to drive the housing demand and increase sales by 35-40% in the festive season in 2021.
- Under Union Budget 2021-22, tax deduction up to ₹ 1.5 lakh (US$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.
- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to ₹ 2 crore (US$ 271,450.60) from November 12, 2020 to June 30, 2021).
- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of ₹ 25,000 crore (US$ 3.58 billion) alternative investment fund (AIF).
- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of ₹ 10,000 crore (US$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.
- As of December 31, 2022, India formally approved 425 SEZs, and as of January, 2023, 270 SEZs are operational. Most special economic zones (SEZs) are in the IT/ BPM sector.
- Under Budget 2023-24:
  - Capital investment outlay for infrastructure is being increased by 33% to ₹10 lakh crore (US$ 122 billion), which would be 3.3% of GDP and almost three times the outlay in 2019-20.
  - Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.
  - The Government has decided to continue the 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs 1.3 lakh crore (US$ 16 billion).
  - A capital outlay of Rs 2.40 lakh crore (US$ 29 billion) has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013- 14.
  - 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of ₹ 75,000 crore (US$ 9 billion), including ₹ 15,000 crore (US$ 1.8 billion) from private sources.
  - 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
  - An Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall, which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities.
  - States will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF.
  - For realizing the vision of "Make A-I in India and Make A-I work for India", three centers of excellence for Artificial Intelligence will be set-up in top educational institutions.
  - The Digital Public infrastructure for agriculture will be built as an open source, open standard and inter operable public good that will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for growth of agri-tech industry and start-ups.

- 157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014.
- National Digital Library for Children and Adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility. States will be encouraged to set up physical libraries for them at panchayat and ward levels and provide infrastructure for accessing the National Digital Library resources.
- Skill India International Centres to be set up across different States to skill youth for international opportunities.
- Central Processing Centre to be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.
- District Institutes of Education and Training to be developed as vibrant institutes of excellence for Teachers' Training.
- States will be encouraged to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other States.
- Since 2016-17, the budget for the Pradhan Mantri Awas Yojana, the flagship housing scheme of the government, has increased 280% from ₹ 20,936 crore (US$ 2.5 billion) in the revised estimates of 2016-17 to ₹ 79,590 crore (US$ 9.6 billion) in the latest 2023-24 budget.
- The Awas Yojana budget estimate for 2023-'24 constitutes an allocation of ₹ 25,103 crore (US$ 3 billion) to Pradhan Mantri Awas Yojana-Urban and ₹ 54,487 crore (US$ 6.5 billion) to Pradhan Mantri Awas Yojana-Gramin.

**INVESTMENTS/DEVELOPMENTS**

Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces.

The Private Equity Investments in India's real estate sector, stood at US$ 3.4 billion in 2022.

Exports from SEZs reached ₹ 7.96 lakh crore (US$ 113.0 billion) in FY20 and grew ~13.6% from ₹ 7.1 lakh crore (US$ 100.3 billion) in FY19.

In July 2021, the Securities and Exchange Board of India lowered the minimum application value for Real Estate Investment Trusts from ₹ 50,000 (US$ 685.28) to ₹ 10,000-15,000 (US$ 137.06 - US$ 205.59) to make the market more accessible to small and retail investors.

FDI in the sector (including construction development & activities) stood at US$ 55.5 billion from April 2000-December 2022.

Some of the major investments and developments in this sector are as follows:

- Between January-July 2022, private equity investment inflows into the real estate sector in India stood at US$ 3.27 billion.
- Home sales across top eight cities in India surged 68% YoY to reach ~308,940 units in 2022, signifying a healthy recovery in the sector.
- Retail real estate segment attracted institutional investments of US$ 492 million in 2022.
- In the third quarter of 2021, the Institutional real estate investment in India increased by 7% YoY. Investment registered in the first nine months of 2021 stood at US$ 2,977 million, as against US$ 1,534 million in the same period last year.
- Top three cities—Mumbai (~39%), NCR-Delhi (~19%) and Bengaluru (~19%)—attracted ~77% of the total investments recorded in the third quarter of 2021.
- India's flexible space stock is likely to expand by 10-15% YoY, from the current 36 million sq. ft., in the next three years, according to a report by CBRE.
- In 2021, working remotely is being adopted at a fast pace and demand for affordable houses with ticket size below ₹ 40-50 lakh is expected to rise in Tier 2 and 3 cities, leading to an increase in prices in those geographies.
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US$ 26.23 billion and US$ 28.95 billion, respectively, between April 2000-September 2022.
- In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated and laid foundation stone of 8 National Highway projects of 226 km length worth ₹ 1800 crore (US$ 217.4 million) at Igatpuri, Nashik, Maharashtra.

- In December 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 7 National Highway projects worth ₹ 2,444 crore (US$ 295 million) with total length of 204 km in Rewa, Madhya Pradesh.
- In November 2022, Prime Minister of India laid the foundation stone of various road projects worth over ₹ 2200 crore (US$ 2.6 billion), namely Medak-Siddipet-Elkathurthy section of NH-765DG; Bodhan-Basar-Bhainsa section of NH-161BB; Sironcha to Mahadevpur Section of NH-353C in Telangana.
- In November 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated the construction of 3.8 km long 4-lane elevated structure flyover at Ahmednagar, Maharashtra on National Highway-61 at a cost of ₹ 331.17 crore (US$ 40 million).
- In October 2022, Prime Minister of India laid the foundation of road and ropeway projects worth more than ₹ 3,400 crore (US$ 410 million) in Mana, Uttarakhand.
- In October 2022, National Highways Infra Trust (NHAI InvIT), the infrastructure investment trust sponsored by National Highway Authority of India (NHAI) to support Government of India's National Monetization Pipeline, has raised a sum of ₹ 1,430 crore (US$ 172.6 million) from domestic and international investors through placement of its units, for part funding its acquisition of three additional road projects from NHAI.
- As many as 52 critical infrastructure gap projects identified by MoPSW for connecting maritime ports and IWTs (Inland Waterway Terminals) to be taken up under PM Gati Shakti National Master Plan. Currently, DPR of total 56 projects (including 11 IWT projects) under this category with total of 1215 km length are under bidding stage for the feasibility assessment of these projects, which is being carried out by NHAI.
- In Union Budget 2022-23:
  - The government has given a massive push to the infrastructure sector by allocating ₹ 10 lakh crore (US$ 130.57 billion) to enhance the infrastructure sector.
  - The government allocated ₹ 134,015 crore (US$ 17.24 billion) to National Highways Authority of India (NHAI).
  - The government announced an outlay of ₹ 60,000 crore (US$ 7.72 billion) for the Ministry of Road Transport and Highways.
  - The government announced ₹ 76,549 crore (US$ 9.85 billion) to the Ministry of Housing and Urban Affairs.
  - The government allocated ₹ 84,587 crore crore (US$ 10.87 billion) to the Department of Telecommunications to create and augment telecom infrastructure in the country.
  - The total revenue expenditure by Railways is projected to be ₹ 234,640 crore (US$ 30.48 billion)
  - Focus was on the PM GatiShakti - National Master Plan for multimodal connectivity to economic zones. Everything, from roads to trains, from aviation to agriculture, as well as many ministries and departments, will be integrated under the PM GatiShakti National Master Plan.
- In September 2022, the government approved rail-cum-road bridge across Brahmaputra river near the existing Saraighat bridge at Guwahati at the cost of ₹ 996.75 crore (US$ 122.27 million) which will be shared by NHAI & Ministry of Railways.
- In 2022-23 (until October 20, 2022), passenger earnings stood at ₹ 33,838.16 crore (US$ 4.15 billion).
- In August 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways laid foundation stone of six NH projects worth ₹ 2,300 crore (US$ 287.89 million) in Indore, Madhya Pradesh.
- In FY23 (until September 2022), the combined index of eight core industries stood at 142.8 driven by the production of coal, refinery products, fertilizers, steel, electricity and cement industries.
- In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth ₹ 13,585 crore (US$ 1.75 billion)
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US$ 26.22 billion and US$ 28.64 billion, respectively, between April 2000-June 2022.
- In March 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highway inaugurated 19 National Highway projects in Haryana and Rajasthan totaling ₹ 1,407 crore (US$ 183.9 million).

- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth ₹ 1.10 lakh crore (US$ 15.09 billion) were completed as of 2020.
- In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral co-operation.
- The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.
- In October 2021, the Union Cabinet of India approved the PM GatiShakti National Master Plan—including implementation, monitoring and support mechanism—for providing multi-modal connectivity.
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.
- In FY22, government initiatives such the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- To encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy is undertaking Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.
- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth ₹15 lakh crore (US$ 206 billion) in the next two years.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced ₹ 305,984 crore (US$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

**ROAD AHEAD**

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth ₹ 1.25 trillion (US$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family-owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with US$ 8 billion capital infusion by FY22.

India has to enhance its infrastructure to reach its 2025 economic growth target of US$ 5 trillion. India's population growth and economic development requires improved transport infrastructure, including through investments in roads, railways, and aviation, shipping and inland waterways.

The government has also suggested an investment of $750 billion to strengthen railway infrastructure, and envisioned the Maritime India Vision 2030 which estimates massive investments in world-class infrastructure development at Indian ports.

Global investment and partnerships in infrastructure, such as the India-Japan forum for development in the North East are also indicative of more investments. These initiatives come at a momentous juncture as the country aims for self-reliance in future-ready and sustainable critical infrastructure.

India, it is estimated, needs to invest $840 billion over the next 15 years into urban infrastructure to meet the needs of its fast-growing population. This investment will only be rational as well as sustainable, if we additionally focus on long-term maintenance and strength of our buildings, bridges, ports and airports.

As a result of digitalisation and opportunities that Tier II and III cities present for economic growth, the divide between metro and non-metros is blurring, moving to the new era of infrastructure growth. Commercial real estate properties have witnessed exponential growth in demand across Tier II & III cities as Information technology and Information technology enabled services and banking financial services and insurance focused organizations are increasingly decentralizing their operations to adapt to the new normal.

The residential sector has witnessed good sales, and launches have also shown signs of an uptick during 2022, total sales in the top-7 cities was projected to exceed 360,000 units in 2022.

Civil Aviation Ministry's "Vision 2040" report states that there will be 190-200 functioning airports in India by 2040. Delhi and Mumbai will have three international airports each, while top 31 Indian cities will have two operational airports each.

220 destinations (airports/heliports/water aerodromes) under UDAN are targeted to be completed by 2026 with 1000 routes to provide air connectivity to unconnected destinations in India.

102 critical projects under the Gati Shakti masterplan worth $7.67 billion are to be completed by 2024, making 2023 a critical year for effective execution and celerity of completion.

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom as a result of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of ₹ 5,000,000 crore (US$ 750 billion) for railways infrastructure from 2018-30. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.

***(Sources: https://www.ibef.org/)***

## BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read **"*Forward-Looking Statements*"** beginning on page **18** for a discussion of the risks and uncertainties related to those statements and also **"*Risk Factors*", "*Restated Financial Statement*"** and **"*Management's Discussion and Analysis of Financial Condition and Results of Operations*"** beginning on pages **27**, **141** and **170** respectively of this Red Herring Prospectus, 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.

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in **"Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations"** and **"Restated Financial Statement"** beginning on pages **27**, **170** and **141** respectively of this Red Herring Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company's restated audited financial statements. Further, all references to 'Vruddhi Engineering Works Limited', 'the Company', 'our Company', 'VEWL', 'Vruddhi' and 'the Issuer' and the terms 'we', 'us' and 'our', are to Vruddhi Engineering Works Limited.*

### BACKGROUND

Our Company was incorporated in Mumbai, Maharashtra as *"Vruddhi Steel Private Limited"*, a private limited company under the Companies Act, 2013, vide certificate of incorporation dated October 27, 2020 issued by the Assistant Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 26, 2022, and consequently, the name of our Company was changed to *"Vruddhi Steel Limited"*, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated January 05, 2023, was issued by the RoC to our Company. Later on, January 31, 2023, the running business of the proprietorship concern of our Promoter namely "M/s. Kosmo Ventures" was taken-over by the Company, along with the assets and liabilities of the proprietorship concern as going concern. Further, the name of our Company was changed to *"Vruddhi Engineering Works Limited"* pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 29, 2023 and a fresh certificate of incorporation dated June 20, 2023 was issued by the Registrar of Companies, Mumbai.

Our Company is mainly engaged in offering mechanical splicing solutions to the real estate, construction and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares. Our Company believes that it offers an end-to-end mechanical splicing solutions ranging from design, manufacturing, testing, logistics and rebar threading. We believe that the rebar couplers offered by our Company is an alternative to the conventional splicing methods followed in the construction industry.

Our Company supply and provide its mechanical splicing solutions to construction contractors, real estate developers and infrastructure companies. Our Company supply our rebar couplers in the domestic market. Our revenue from the sale of rebar couplers is ₹269.72 lakhs, ₹450.27 lakhs, ₹105.83 lakhs and ₹0.44 lakhs for the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

As our Company primarily caters to the construction industry, our Company with an objective to expand its product offerings acquired the running business of the proprietorship concern of our Promoter namely, "M/s. Kosmo Ventures", along with the assets and liabilities of the proprietorship concern as going concern. Kosmo Ventures was engaged in the business of trading of reinforcement bars (TMT bars) and machinery. The acquisition was completed on January 31, 2023 and since then, our Company has expanded into the business of trading of reinforcement bars (TMT bars) and machinery as a trader and service provider. Our revenue from trading of Steel Products for the 6 (six) months period ending on September 30, 2023 is ₹568.70 lakhs.

The products supplied by our Company i.e. rebar couplers and Steel Products finds its application with construction contractors, real estate developers and infrastructure companies and are used in the construction of residential and commercial buildings, steel structures, roads, etc. Our Company design and engineer the rebar couplers as per the customers requirement and is manufactured by a third-party manufacturer.

Our Promoter is engaged with the construction industry for over 5 years. In a short span of time, we believe that our Promoter has established herself as a trusted and reliable source for supply of Steel Products amongst our suppliers. We believe that our approach of timely supply of materials, quality control, logistics, inventory management, credit and delivery at cost effective prices to the customers has helped our Company to build strong relationship with our customers and as on September 30, 2023 we served around 81 (eight one) customers in the mechanical splicing vertical and in the trading of Steel Products.

Our Company is an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified Company issued by Quality Control Certification accredited by "UASL, England, UK" in compliance with quality management system, Environmental Management System and Occupational Health and Safety Management Systems respectively. Please refer chapter titled ***"Government and Other Approvals"*** beginning on page **186** of this Draft Red Herring Prospectus. Our Promoter is well supported by her family members who are also engaged in the business and also by qualified and experienced employees at different levels with appropriate functional responsibilities. As on the date of this Draft Red Herring Prospectus, our employee strength is 20 (twenty).

***Our key financial information is as stated herein below:***

*(₹ in lakhs, except percentages)*

| Particulars | As on September 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|---|---|---|---|
| Revenue from Operations [(1)] | 935.33 | 1,307.69 | 220.65 | 0.44 |
| Growth in Revenue from Operations[(2)] | NA | 492.65% | 49,611.69% | NA |
| EBITDA [(3)] | 97.30 | 135.06 | 14.35 | (0.88) |
| EBITDA Margin [(4)] | 10.40% | 10.33% | 6.50% | (198.26%) |
| Restated Profit After Tax for the Year | 41.01 | 75.33 | 9.44 | (0.88) |
| PAT Margin [(5)] | 4.38% | 5.76% | 4.28% | (197.20%) |
| Net Worth[(6)] | 253.13 | 212.12 | 9.56 | 0.12 |
| Capital Employed | 554.74 | 535.50 | 57.05 | 2.34 |
| ROE% [(7)] | 16.20% | 35.51% | 98.76% | (701.86%) |
| ROCE% [(8)] | 15.53% | 14.07% | 16.55% | (37.33%) |

**OUR PRODUCTS**

Our Company supply its products and offers its services to the real estate, construction and infrastructure industry. The product offerings of our Company can be broadly classified as stated herein below:

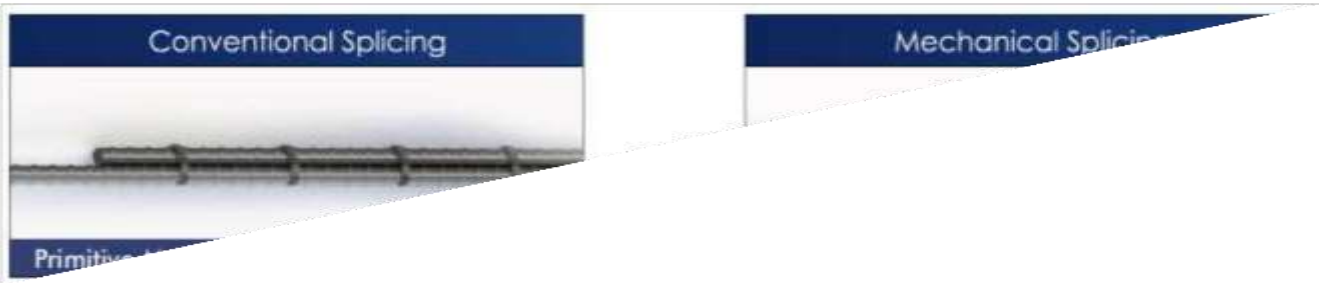
***Mechanical splicing***

Our Company is mainly engaged in offering mechanical splicing solutions to construction contractors, real estate developers and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares.

**(a) Supply of rebar couplers**

Our Company caters to the need for mechanical splicing solutions in the construction Industry. Our Company provides end-to-end mechanical splicing solutions ranging from design, manufacturing, testing, logistics and rebar threading.

There are two methods for splicing – conventional lap-joints method and mechanical splicing method (rebar couplers).




We believe our rebar couplers available in wide variants are suitable to join the reinforcement bars end-to-end in any RCC and other construction work. We also believe that our rebar couplers have the following benefits to our customers:

| | | | |
|---|---|---|---|
| | Cost saving – Lesser steel consumption | | Higher UTS than that of parent rebar |
| | Shortens project timeline | EASY TO INSTALL | No torque wrench required |
| | Solves bar congestion | | Improvement in concrete flow |

Our different types of rebar couplers include:

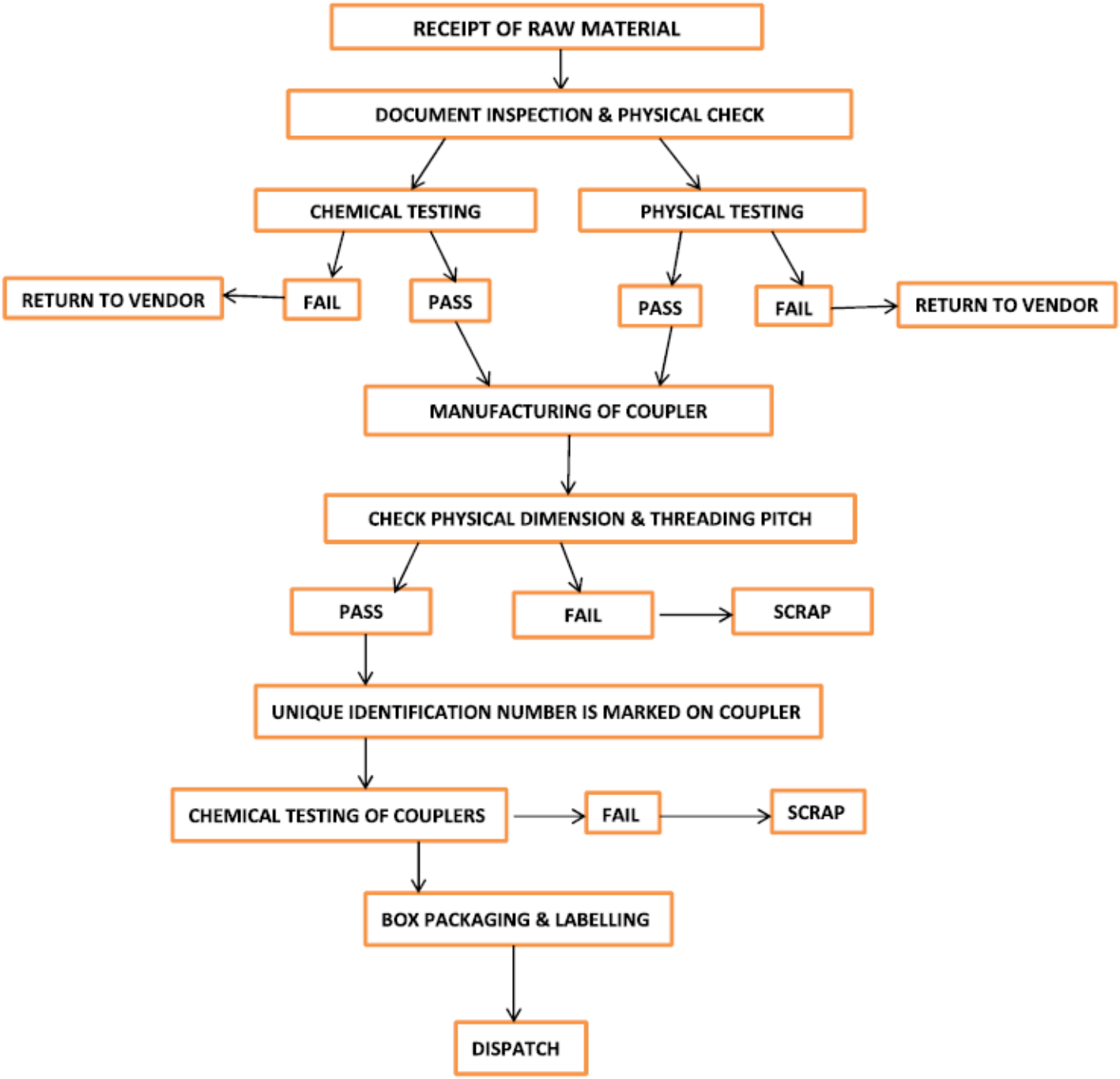
| Product | Application | Key benefits | Materials used, Standards compliant and size |
|---|---|---|---|
| **Cold Forged Couplers** | high rise residential project, commercial projects like schools, colleges, hospitals, office complex, Malls etc and infrastructure projects like bridges, highways, metro etc | • Saves cost and time in construction<br>• Cold Forged Couplers improve concrete flow<br>• Minimum 625 Mpa of Ultimate Tensile Strength is achieved<br>• reduce the consumption of steel | • EN8D material<br>• IS 16172:2014 standards<br>• Available in sizes from 16mm to 40mm |

| | | | |
|---|---|---|---|
| <br>The product is a solution for connecting TMT bars for structural integrity | | | |
| **Parallel Threaded Couplers**<br> <br>They are designed for connecting Reinforcement bars. | low and mid-rise residential projects and commercial projects | • Saves cost and time in construction<br>• Best alternative to lap splicing<br>• Load Transfer is independent of the grade of concrete<br>• reduce the consumption of steel | • EN8D material<br>• IS 16172:2014 standards<br>• Available in sizes from 16mm to 40mm |
| **Tapered Couplers**<br> <br>Tapered Couplers are used for connecting reinforcement bars. This system assures a positive locking connection and structural integrity. Taper-threading splicing system ensures higher tensile strength than the parent bar | | • Saves cost and time in construction<br>• Best alternative to lap splicing<br>• reduce the consumption of steel | • EN8D material<br>• IS 16172:2014 standards<br>• Available in sizes from 16mm to 40mm |
| **MBT Bolted Couplers**<br> | Application in bridges, piling work and column splicing | • No threading required<br>• Easy and quick installation<br>• Enables continuous reinforcement | • EN8D material<br>• IS 16172:2014 standards<br>• Available in sizes from 16mm to 40mm |

| | | | |
|---|---|---|---|
| Mechanically Bolted Couplers Are A Type Of Socket Used For Connecting Two Reinforcement Bars Using Bolts | | | |
| **Transition couplers**<br> <br>This type of couplers is used to splice bars with different diameters. The reducer coupler is rotated onto the bar with higher diameter and then the bar with lower diameter is rotated from another end for joining | Transition couplers are also known as reducer couplers. They are used to splice two rebars of different sizes in a RCC member. | • Saves cost and time in construction<br>• Minimum 600 Mpa of Ultimate Tensile Strength is achieved | • EN8D material<br>• IS 16172:2014 standards<br>• Available in sizes from 16mm to 40mm |
| **End Anchors**<br> <br>End Anchors are a convenient alternative to hooked bars or development length to provide end anchorages in congested areas. | The end Terminator provides an alternative to hooked rebar, anchor or stop nut for rebar passing through a pile plank or structural element. | • Suitable for repair or reform projects<br>• Suitable for any rebar ends which are cold cut<br>• No reduction in the cross-section area of rebar | • EN8D material<br>• IS 16172:2014 standards<br>• Available in sizes from 16mm to 40mm |

Our Company design, engineer and provide specification of the rebar couplers to third-party manufacturers, who then manufactures these products based on the design and specification provided by our Company. Our Company follows a strict quality check and also visit the factory of such third-party manufacturers to ensure that the product quality is as per the specifications given by the Company. The manufacturing process that is followed at such third-party manufacturer is as set forth below:

## Rebar Coupler production Flow chart




**Testing Plan**

We ensure that a stringent testing process is carried out by the third-party manufacturer before despatch of the finished products. The steps involved in the testing process includes:

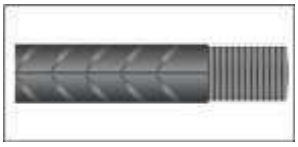
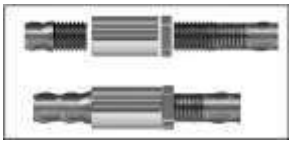
| Sr. No. | Description | Frequency | Tools |
|---|---|---|---|
| 1 | Raw Material Physical Inspection & Chemical Testing | Batch Wise | - |

| | | | |
|---|---|---|---|
| 2 | Physical Dimension of coupler<br>(b) Length of Coupler<br>(c) OD of Coupler<br>(d) ID of Coupler | Every 25 numbers | Vernier Calliper |
| 3 | Visual Inspection – to know workmanship | All | NA |
| 4 | Threading size and pitch | Every 25 numbers | Calibrated Go and No-Go plug gauge |
| 5 | Static Tensile Test (Client Scope)- 3 Samples | Every 3000 couplers of each Dia | NABL Lab |

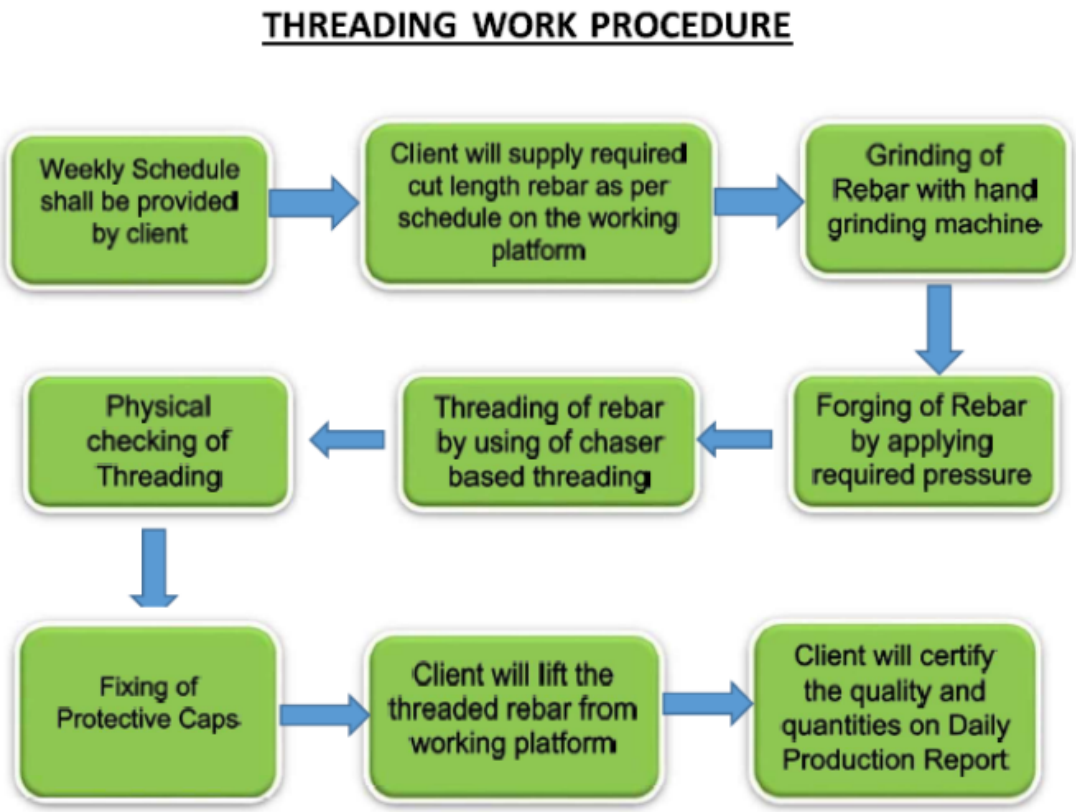
(b) **On-site threading services of the couplers**

Our Company offers on-site threading service to our customers of the couplers. Our skilled and experienced workforce shall take care of all the hassles associated with on-site machine installation and rebar threading.

Our Company follows the one of the two splicing methods as described herein below:

| **Cold Forged Couplers (Type A)**<br><br>It is used when at least one connecting rebar can be rotated. Both the rebars are threaded for half the length of the coupler. | | **Parallel Threaded Couplers (Type B)**<br><br>It is used in applications where none of the Re-bar can be rotated. One bar is threaded for full coupler length and the other is threaded for half of coupler length. Typical applications include prefabricated cages, bent bars, and precast structural elements. | |
|---|---|---|---|
| | **1. Forging**<br>The reinforcing bar is enlarged by cold forging process, thus increasing its diameter | | **1. Peeling**<br>The ribbing at the end of the rebar is peeled |
| | **2. Threading**<br>Standard ISO metric threads are then cut onto the enlarged end |  | **2. Threading**<br>The peeled end of the rebar is rolled thread as per stand ISO metric |
| | **3.Mechanical Splicing**<br>Finally splice the rebar by threaded Vruddhi cold forged coupler |  | 3. **Mechanical Splicing**<br>Coupler can be used to connect the two rebars |

The process we follow in offering our on-site threading services includes




The major plant and machinery of our Company are as follows:

| *Sr. No.* | *Name of Major Machinery* | *Quantity* | *Purpose* |
|---|---|---|---|
| *1* | *Cold Forging Machine / CF 40* | *2* | *Forging Service* |
| *2* | *Cold Forging Machine / CF 32* | *16* | *Forging Service* |
| *3* | *Vertical Small Forging Machine* | *1* | *Forging Service* |
| *4* | *BTS threading Machine* | *15* | *Threading Service & Trading* |
| *5* | *Landis Threading Machine* | *2* | *Threading Service & Trading* |
| *6* | *Roll Threading Machine* | *9* | *Threading Service & Trading* |
| *7* | *Crimping Machine* | *1* | *Conjoining Service* |
| *8* | *Cutting Machine* | *1* | *Cutting Service* |

**(c)** Trading in imported threading machines and spares.

Our Company is also engaged in trading of threading machines and spares to our existing customers of couplers and also to structural contractors and construction companies. The threading machine that we sell are:

**Rebar Cold Forging Machine**

Cold forging machines are used for forging of rebars. Cold forging is a process for metal shaping & manufacturing. Rebar Forging Machine consists of Hydraulic cylinder and Power Pack

Cold forged rebars are later threaded and mechanically spliced with cold forged couplers.

Cold forged couplers are widely used in the construction industry. Cold forged couplers are known for providing excellent strength.

**Rolled Parallel Threaded**

The Rolled Parallel threaded machine is used for parallel threading of re-inforcement bars which are used for application of couplers.

These machines are mobile and easy to use. Further, these machines occupy less space and are best for congested sites.

We believe our low maintenance machines are durable and reliable.

We also trade in spares required for running the above machines.

**(d) Steel products and Machinery**

With the acquisition of the business of M/s. Kosmo Ventures, our Company has ventured into trading of reinforcement bars (TMT bars) and machinery.

**OUR COMPETITIVE STRENGTHS**

***Diversified customer base***

We have a well-diversified domestic customer base, wherein we supply standard as well as custom based products. This reduces the intensity of any significant single customer's contribution in our revenues. Our top ten customers contribute 95.28%, 75.75%, 85.22% and 100% of our revenue from operations for the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. We have relationships with some of our customer since inception.

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with them. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

***Diversified and Established Product***

Our Company design, engineer and supply rebar couplers that finds its application in real estate, construction and infrastructure industry and is used in the construction of residential and commercial buildings, steel structures, roads, etc. With a wide variety of product categories, our product finds in application across real estate, construction and infrastructure industry as one of the key products.

Further, with the acquisition of M/s. Kosmo Ventures we have also ventured into supply of Steel Products thus diversifying our products offerings which helps our Company in cross selling and up-selling of products within our existing customer. For further details, regarding the relevant descriptions of the products we supply, please refer to ***"Our Business – Our Products"*** of this Red Herring Prospectus.

Further, we believe that within a short span of 2 years in the business of selling rebar couplers our Company is well-known amongst the iron and steel industry on the supply side and also our customers which comprises of players from the real estate, construction and infrastructure industry. Having kept pace with the changing technology in the construction industry, the Company has created a niche for itself in the Indian market and supply to 81 companies as on September 30, 2023.

***Quality Assurance***

We believe that we manufacture our product using the best raw material, i.e. carbon steel meeting the strict technical specification and governing standards of an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified Company issued by Quality Control Certification accredited by "UASL, England, UK". We conduct quality tests at every stage of manufacturing process of our third party-manufacturer and the desired chemical compositions are maintained right through the process. After manufacturing, the products are also carefully inspected and evaluated on various parameters. For every batch of raw materials (unique Heat number), testing is conducted in third party NABL accredited Lab and one sample is tested for physical properties (UTS and Elongation) and one sample is tested for chemical composition in each batch. In case of finished products, once the Unique Identification number (UIN) has been marked on the coupler, one sample from each UIN lot is tested for chemical composition.

We believe that our approach of maintaining high quality product, timely delivery and varied product specification has held us to be reckoned as one of the key suppliers of rebar couplers and steel products to our customers.

***Experienced Promoter Directors with extensive domain knowledge***

We are led by our Promoter who is also our Chairman & Managing Director who have an experience of over 5 years in the steel industry. Our Promoter Director are involved in various aspects of our business, including manufacturing, finance, procurement and marketing.

We believe that the experience, depth and diversity of our Promoter Directors have enabled our Company to scale our operations in domestic and international market. The industry experience of our Whole-time and Executive Directors enables us to anticipate and address market trends, manage and grow our operations, maintain and leverage customer relationships and respond to changes in customer preferences.

For further information on our Promoter Directors please see the sections entitled "***Our Promoters and Promoter Group***" and "***Our Management***" beginning on pages **135** and **121**, respectively

**OUR BUSINESS STRATEGIES**

***Increase our market share***

As of September 30, 2023 we serve around 81 domestic customers and our revenue from operations as on September 30, 2023 is ₹ 935.33 lakhs from domestic customers.

In the domestic market we presently have presence in Pune, Dhule, Surat, Mangalore, Hyderabad, Kolkata, Bangalore market with majority of our business coming from Mumbai. We intend to increase our market share in domestic by focusing on cross selling of products and by introducing new products and introduce our products in the international markets. We believe that focus on export sales will enable us to improve our margins. We further believe that there exist significant opportunities to cross-sell our products and offer the same product to additional locations of our existing customers with the help of our established capabilities and manufacturing, sales and distribution infrastructure. We have multiple such customers wherein we service their different projects, across locations.

We have identified overseas markets where we would like sell our products and we would be starting our marketing activities in such select market. Considering that our products, rebar couplers are critical inputs in construction process we would be subject to stringent quality requirements and our products will be tested on various parameters.

***Focus on Advanced Products***

We intend to leverage our design and engineering capabilities to increase our focus on advanced products. We believe that high value added and technology driven components will provide us with early-mover advantages and higher profit margins, thus giving us the opportunity to consolidate our position with our customers. We believe that the construction industry is evolving rapidly both in terms of products and also in terms of quality. We would keep upgrading our product portfolio to meet this every changing dynamic, to further improve the quality of our products and our introducing technology-oriented products and to add new products to our portfolio. For instance, we are testing Grouting couplers a product used in precast concrete structure for mechanical splicing of joints Saves cost and

time in construction. Further, these grouting couplers can be customised to meet our customer specifications. We believe that an expanded product portfolio will assist us in developing long-term relationships with our customers.

***Focus on consistently meeting quality standards***

Our Company intends to focus on adhering to the quality standards of the products and services. This is necessary so as to make sure that we get repeat orders from our customers. Quality of the product and services is very important for the company from both customer and regulatory point of view. Providing the desired and quality products help us in enhancing our reputation and maintaining long term relationships with customers. We conduct quality testing from IIT, Kanpur as well as we have started with international testing of our products.

***Product Wise Bifurcation***

| Products | As at September 30, 2023 | | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|---|---|
| | Qty | Amount (₹ in lakhs) | Qty | Amount (₹ in lakhs) | Qty | Amount (₹ in lakhs) | Qty | Amount (₹ in lakhs) |
| Rebar Couplers | 3,70,41,297 | 366.63 | 5,30,773 | 450.28 | 1,39,130 | 105.83 | - | 0.44 |
| Threading | 96,06,354 | 113.54 | 6,77,752 | 130.90 | 1,13,063 | 23.92 | - | - |
| PVC Cap | - | - | 2,57,587 | 5.74 | 1,80,235 | 3.74 | - | - |
| BTS Machine | - | - | 21 | 54.31 | 6 | 6.84 | - | - |
| Bars | 4,64,12,591 | 455.17 | 15,004 | 629.13 | 9,744.47 | 54.81 | - | - |
| Thread Rollers | - | - | 126 | 12.34 | 12 | 1.00 | - | - |
| Spare Parts | - | - | 282 | 9.33 | 983 | 19.03 | - | - |
| Mobile Ide Charges | - | - | - | 8.73 | - | 5.14 | - | - |
| Machine Mobilisation Charges | - | - | - | 0.15 | - | 0.42 | - | - |
| Machine Service Charges | - | - | - | 4.59 | - | - | - | - |
| Mobile Van Service Charges | - | - | 12 | 1.69 | - | - | - | - |
| Other Charges | - | - | 2 | 1.91 | - | 0.53 | - | - |
| Interest on Delayed Payment | - | - | - | - | - | 0.24 | - | - |
| **Total** | **9,30,60,242** | **935.33** | **14,81,559** | **1,309.33** | **4,43,173.47** | **221.52** | - | **0.44** |
| Less: adjustments (credit note, discount, etc) | - | - | - | 1.86 | - | 0.87 | - | - |
| **Revenue from Operations** | **9,30,60,242** | **935.33** | **-** | **1,307.69** | **-** | **220.65** | - | **0.44** |

***Industry wise revenue***

The table below set out the detail of our revenue from sale of rebar couplers and Steel Products based on the industry to which we supply:

| Products | As at September 30, 2023 | | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|---|---|
| | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) |
| Construction / Project | - | - | 0% | 0.00 | 0% | 0.00 | 0% | 0.00 |
| Real Estate | 99.54% | 931.22 | 99.38% | 1,299.55 | 100% | 220.65 | 100% | 0.44 |
| Infrastructure | 0.46% | 4.11 | 0.62% | 8.14 | 0% | 0.00 | 0% | 0.00 |
| **Total** | **100.00%** | **935.33** | **100.00%** | **1307.69** | **100.00%** | **220.65** | **100.00%** | **0.44** |

***Geography wise revenue***

The table below set out the detail of our revenue from sale of rebar couplers and Steel Products based on the geography:

| Products | As at September 30, 2023 | | As at March 31, 2023 | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|---|---|
| | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) | % | Amount (₹ in lakhs) |
| Mumbai | 80.99% | 757.60 | 82.67% | 1081.08 | 79.44% | 175.28 | 100% | 0.44 |
| Rest of Maharashtra | 2.80% | 26.15 | 3.75% | 49.00 | 12.99% | 28.66 | 0.00 | 0.00 |
| Other States | 16.21% | 151.58 | 13.58% | 177.61 | 7.57% | 16.71 | 0.00 | 0.00 |
| **Total** | **100.00%** | **935.33** | **100.00%** | **1307.69** | **100.00%** | **220.65** | **100.00%** | **0.44** |

**ENVIRONMENT AND SAFETY MEASURES**

Environment and safety considerations are an important part of our operations. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. Our Company has installed fire safety equipment to manage any fire accident at our office and warehouse.

We believe in the strict adherence of laws and regulations relating to protection of human health and safety, and the environment. We follow high standards of work safety measures and standards, and our equipment and working conditions promote a healthy and safe work environment. Our operation at client sites and personnel are well versed with laws and regulations governing the management and disposal of hazardous substances, and we intend to make our operations more environmentally sustainable in the future.

Our Company is an ISO 14001:2015 and ISO 45001:2018 certified Company issued by Quality Control Certification accredited by "UASL, England, UK" in compliance with Environmental Management System and Occupational Health and Safety Management Systems respectively.

**COLLABORATIONS/TIE UPS/JOINT VENTURES**

Our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Red Herring Prospectus.

**EXPORT OBLIGATION**

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

**COMPETITION**

We face competition from domestic manufacturers. Competition emerges from small as well as big players in the mechanical splicing industry and from traders and dealers in the Steel Products industry. Further, we also face competition from manufacturers of steel products who have direct access to our customers.

We believe that our experience in this business and quality assurance will be key to overcome competition posed by organized and unorganized players. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, the relative quality, credit terms and price of the products

Our continued success depends on our ability to compete effectively against our existing and future competitors.

**INFRASTRUCTURE & UTILITIES**

**Power**

Our Company purchases its electricity from Adani Electricity Mumbai Limited at godown and Registered office.

**Water**

The water required in our office is relatively low as it is required only for human consumption. Water is procured from external water supply agencies operating in the local area.

**OUR CUSTOMERS AND CUSTOMER CONTRACTS**

We have a well-diversified customer base spread across construction, real estate and infrastructure industry, who purchase our products as their raw material. While we do not have any long-term contracts with our customers, we enjoy strong relationship with many of our customers. Our top five customers, as per our Restated Financial Statements, contributed to revenue from operations of ₹ 828.50 lakhs, ₹ 826.80 lakhs, ₹ 131.67 lakhs and ₹ 0.44 lakhs, which constituted 88.59%, 63.17%, 74.85% and 100% for the period ended September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively. We supply our rebar couplers, machine and Steel Products in the domestic market.

**SUPPLIERS**

We purchase rebar couplers from third-party manufacturers who manufacture these couplers based on our design and specifications. The key raw material used in manufacturing of rebar couplers are carbon steel i.e. EN8D. Further, we purchase steel products from local manufacturers. We purchase the threading machines from international suppliers. We do not have any long term contract with our suppliers and we purchase our products based on market availability, pricing and quality.

Our quality control team ensures the rebar couplers are tested on all quality parameters to ensure that we are compliant with the required market standards. For steel products we rely on quality certificate provided by the manufacturers. The pricing of the product is dependent on multiple factors including, inter-alia, global demand supply scenario, exchange rate fluctuations and import-export regulations.

We procure all these products from third party suppliers at spot rate. We do not have any long term agreements with any of our suppliers. While we do not have any long term contracts with any of our suppliers, we enjoy a strong relationship with many of our suppliers, which enables a timely delivery of our products to our customers. Our top 10 suppliers contributed to ₹ 352.05 lakhs, ₹ 817.27 lakhs and ₹ 143.57 lakhs for the Fiscal 2023 and Fiscal 2022.

**INFORMATION TECHNOLOGY**

Our IT systems are vital to our business and we have installed necessary software to protect our data from any potential malware or data breach.

**AWARDS AND RECOGNITION**

For details of the awards received by our Company and recognition bestowed upon our Company, see "***History and Certain Corporate Matters– Key awards, accreditations or recognitions***" on page **118**.

**HUMAN RESOURCE / EMPLOYEES**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on December 31, 2023, we have 41 employees at our godown and registered office, who look after our business operations, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Apart from these we also employ casual labour or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

The total strength of manpower as on December 31, 2023 is 41 employees. Category wise details are as under:

| Department | Number of Employees |
|---|---|
| Chief Financial Officer | 1 |
| Company Secretary | 1 |
| Administration | 1 |
| Finance | 5 |
| Human Resource | 1 |
| Sales & Marketing | 3 |
| Operations | 20 |
| Purchase | 1 |
| Quality Assurance | 1 |
| Driver | 3 |
| Stores and Logistics | 2 |
| Delivery boy | 2 |
| **Total** | **41** |

**INSURANCE**

Except as mentioned below, our Company does not have any Insurance Policy as on date of this Draft Prospectus.

| Name of the Insurance Company | Type of Policy | Validity Period | Description of Assets covered under the Policy | Policy No. | Total Sum Insured | Premium |
|---|---|---|---|---|---|---|
| TATA AIG Insurance | Commercial Package Policy | Midnight of November 29, 2024 | Tata Motors/ Intra/ V10/ closed/ truck | 6301117782 00 00 | ₹ 6.09 lakhs | ₹ 19,773 |
| TATA AIG Insurance | Commercial Policy Package | Midnight of February 13, 2024* | Stocks or Stock in progress | 5160513531 | ₹ 80 lakhs | ₹ 9,374 |
| Bajaj Allianz General | Employee's Compensation Insurance Policy | Midnight of October 08, 2024 | Workers | OG-23-1907-2802-00000792 | NA | ₹ 17,395 |
| Future Generali | Vehicle Insurance | Midnight of May 01, 2024 | Mahindra & Mahindra Bolero Pick up FBPS 1.7 T XL | VB641028 | ₹ 7.80 lakhs | ₹ 22,539.12 |
| Future Generali | Vehicle Insurance | Midnight of February 10, 2025 | TATA Intra V30 | 132/02/18/0224/ MTP/0000005200 | ₹ 5.62 lakhs | ₹ 21,660 |
| Future Generali | Vehicle Insurance | Midnight of August 31, 2024 | Mahindra Bolero Big Pick up FB 1.7T PS | 132/02/17/0824/ MTP/0000017014 | ₹ 7.94 lakhs | ₹ 27,536 |
| TATA AIG Insurance | Commercial Package Policy | Midnight of October 20, 2024 | Tata Motors/ Intra/ V10/ closed/ truck | 6300994106 00 00 | ₹ 7.40 lakhs | ₹ 22,959 |

**the application for renewal of the policy is under process.*

Our Company believes that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and Our Company cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

**OUR PROPERTIES**

***Immovable Properties***

The brief details of some of the material properties owned/leased by our Company are set out below:

| Sr. No | Details of the Property | Owned/ Leased/ Licence | Owner/ Lessor | Purpose Used | Consideration/Lease Rental/Licence Fees (₹) |
|---|---|---|---|---|---|
| **1.** | Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India. | Leased | Mr. Parekh Vipul Kantilal and Mr. Parekh Hemant Kantilal | Registered Office | ₹ 39,611 |
| **2.** | Office No 602, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India. | Leased | Mr. Parekh Hemant Kantilal and Mr. Parekh Vipul Kantilal | Corporate Office | ₹ 39,500 |
| **3.** | Gala No.1 Ground Floor, Gajanan Nagar, Sant Mirabai Road, Ghartanpada No. 2, Near Snehal Tower, Dahisar, Mumbai-400068. | Leased | Shridhar Welfare Association | Godown | ₹ 19,000 |

***Intellectual Property***

Our Company has obtained registration and/or made applications for the registration of the following trademark with Trademark Registry, Government of India.

| Sr. No | Brand Name/ Logo Trademark | Class | Nature of Trademark | Applicant | Application No. & Date | Status |
|---|---|---|---|---|---|---|
| 1. | VRUDDHI STEEL PRIVATE LIMITED | 6 | Device | Vruddhi Engineering Works Limited (previously known as Vruddhi Steel Private Limited) | 4813858 & 09/01/2021 | Refused |
| 2. | VRUDDHI ENGINEERING WORKS LIMITED | 6 | Device | Vruddhi Engineering Works Limited | 6018040 & 12/07/2023 | Objected |
| 3 | | 6 | Device | Vruddhi Engineering Works Limited | 6030308 & 20-07-2023 | Accepted and advertised |
| 4 | VRUDDHI ENGINEERING WORKS LIMITED | 6 | Device | Vruddhi Engineering Works Limited | 6030506 & 20-07-2023 | Accepted and advertised |

**CORPORATE SOCIAL RESPONSIBILITIES**

Our Company is not required to comply with the requirements of Section135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014 and accordingly, our Company has not constituted a Corporate Social Responsibility ("CSR") Committee.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various legislations including rules and regulations promulgated by regulatory bodies and the bye laws of the respective local authorities and publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.*

*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 Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, see the chapter titled **"Government and Other Approvals"** beginning on page **186** of this Red Herring Prospectus. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.*

*Following is an overview of some of the important laws and regulations, which are relevant to our business.*

### LAWS IN RELATION TO OUR BUSINESS

***National Steel Policy, 2017 ("NSP 2017")***

The NSP 2017 seeks to enhance domestic steel production with focus on creating a technologically advanced and globally competitive steel industry in India that promotes economic growth. The NSP 2017 aims to create an environment for attaining self-sufficiency in steel production by providing policy support and guidance to private manufacturers. The intent is to strengthen the research and development of national importance in the iron and steel sector by utilizing tripartite synergy among industry, national research and development laboratories and academic institutions. The NSP 2017 covers, inter alia, steel demand, steel capacity, raw materials, including iron ore, iron ore pellets, manganese ore, chromite ore, ferro-alloys, land, water, power, infrastructure and logistics, and environmental management.

***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (the "**Legal Metrology Act**") which came into force on March 1, 2011 and replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The Legal Metrology Act provides for the approval for model weights and measures, the verification of the prescribed weight or measure by the Government, and penalties for use of non-standard weight or measure.

***Motor Vehicles Act, 1988 ("MVA") as amended by Motor Vehicles Amendment Act, 2019 ("MVA Amendment Act") and Central Motor Vehicles Rules, 1989 ("CMV Rules")***

The MVA read with the CMV Rules is an umbrella legislation which regulates all aspects of road transport vehicles including licensing of drivers and conductors, registration of motor vehicles, control of transport vehicles through permits, licensing of driving schools, special provisions relating to state transport undertakings, traffic regulation and insurance. As per MVA and the CMV Rules, no person shall drive any motor vehicle in any public place or in any other place unless the vehicle is registered with the registering authority and the vehicle carries a registration mark displayed in the manner as specified in the MVA and the CMV Rules. The MVA Amendment Act provides for *inter alia* more stringent punishment for several offences under the MVA, including violations of drinking and driving and increased compensation for victims of hit and run motor accidents. The MVA Amendment Act also provides for the constitution of a national road safety board, which shall advise the Central Government on all aspects relating to road safety and traffic management. The CMV Rules also state that no person shall establish or maintain any driving school or establishment for imparting instructions for hire or reward in driving motor vehicles without a license in Form 11 granted by the licensing authority. Further, pursuant to the Central Motor Vehicles (Fifteenth Amendment) Rules, 2022 ("**CMV Amendment Rules**"), a provision has been made to enable the application for trade certificate and trade registration marks electronically on the VAHAN portal. Further, the CMV Amendment Rules has introduced a dealership authorisation certificate vide form 16A, which will be co-terminus with the dealership authorisation

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

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act") In order to promote and enhance the competitiveness of Micro,

Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

***Importer exporter code***

In India, exports and imports are regulated by the Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), which seeks to develop and regulate foreign trade by facilitating imports into India and augmenting exports from India. Pursuant to the provisions of the FTDRA, every importer and exporter in India must obtain an IEC from the Director General of Foreign Trade ("DGFT") or from any other officer duly authorized under the FTDRA. Failure to obtain the IEC number may lead to penal action under the FTDRA. Further, the DGFT is authorized to suspend or cancel IEC in case of (i) contravention by any person of the provisions of FTDRA or the foreign trade policy or any law relating to central excise or customs or foreign exchange or commission of any other economic offence under any other law specified by the Central Government or (ii) making an export or import in a manner prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or bringing disrepute to the credit or the goods of, or services or technology, provided from the country or (iii) importing or exporting specified goods or services or technology, in contravention of any provision of FTDRA or any rules or orders made thereunder or the foreign trade policy. Where any IEC number granted to a person has been suspended or cancelled, the person shall not be entitled to import or export any goods or services or technology except under a special license, granted by the DGFT to that person in a manner and subject to conditions as may be prescribed.

**TAX RELATED LAWS**

***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, Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30th September of each assessment year.

***The Central Goods and Services Tax Act, 2017 (the "GST Act")***

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 Centre 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 there under. It replaces following indirect taxes and duties at the central and state levels.

***The Maharashtra State Tax on Professions, Trades, Callings and Employments Act,1975 (“The Act”)***

The Act provides for the Levy and Collection of a Tax on Professions, Trades, Callings and Employments for the benefit of the State. Every person engaged in any profession, trade, calling or employment and falling under one or the other of the classes as segregated in the Act, shall be liable to pay to the State Government the tax at the rate mentioned against the class of such person. The tax payable under this Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such person. The Act mandates that every person, who is liable to pay tax, shall obtain a Certificate of Registration, and a Certificate of Enrolment from prescribed authority in prescribed manner.

***Professional Tax***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from

the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

***Customs Act, 1962***

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company desirous of importing or exporting any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). The rates of basic customs duty are specified under the Customs Tariff Act, 1975.

**LABOUR LAWS**

***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

a) The Employees' Provident Fund Schemes, 1952;

b) The Employees' Pension Scheme, 1995; and

c) The Employees' Deposit-Linked Insurance Scheme; 1976

***The Code on Social Security, 2020***

The Government of India has decided to consolidate around 29 central labour laws into 4 codes which are: (a) Code on Wages, 2019, (b) the Code on Social Security, 2020, (c) the Occupational Safety, Health and Working Conditions Code, 2020 and (d) the Industrial Relations Code, 2020. The Code on Social Security, 2020 has been passed by both the houses of parliament and has received the assent of the President on September 28, 2020. However, the Code will be in force from such date the Central Government by notification may appoint. The said Code will subsume various social security, retirement and employee benefit laws like ESI Act, EPF Act, Maternity Benefit Act, Payment of Gratuity Act, etc. Certain other Labour laws and regulations that may be applicable to our Company including the following:

***The Employees' Compensation Act, 1923***

The Employees' Compensation Act, 1923 ("EC Act") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty

***The Employees State Insurance Act, 1948***

The Employees State Insurance Act, 1948 ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

***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 58 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.

***Equal Remuneration Act, 1976***

Equal Remuneration Act, 1976 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.

***Maternity Benefit Act, 1961***

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that the get paid leave for a specified period before and after child birth. It provides, inter-alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

***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, organizing 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 Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 ("PB Act") is applicable to every factory and every other establishment employing 20 (twenty) or more persons. According to the provisions of the PB Act, every employer shall be bound to pay to every employee in respect of the accounting year minimum and maximum bonus and linking the payment of bonus with the production and productivity.

***The Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 ("MW Act") came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorized to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

***The Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 ("PG Act") applies to every factory and shop or establishment in which 10 (ten) or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

a) On his/her superannuation;

b) On his/her retirement or resignation;

c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply).

**INTELLECTUAL PROPERTY LAWS**

Certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 trademark protection under the Trade Marks Act, 1999, and design protection under the Designs Act, 2000 are also applicable to us.

***The Copyright Act, 1957***

The Copyright Act, 1957 (the "Copyright Act") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations.

***The Trade Marks Act, 1999***

The Trademarks Act, 1999 (the "Trademarks Act") provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

***The Patents Act, 1970***

Under statute, India provides for the patent protection under the Patents Act, 1970 (the "Patents Act"). The Patents Act governs the patent regime in India and recognizes process patents as well as product patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. The Patents Act also provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

***The Designs Act, 2000***

The Designs Act, 2000 (the "Designs Act") protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

**GENERAL LAWS**

***Indian Contract Act, 1872 ("CONTRACT ACT")***

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract.

***The Companies Act, 2013***

The Act deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between the set of competing factors, namely, management autonomy and investor protection.

***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. "Specific performance" means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

***Arbitration and Conciliation Act, 1996***

This Arbitration and Conciliation Act, 1996 ("Arbitration Act") was enacted by the Parliament to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards and also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Arbitration Act is to comprehensively domestic arbitration and conciliation; to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration; to provide that the arbitral tribunal gives reasons for its arbitral award; to ensure that the arbitral tribunal remains within the limits of its jurisdiction; to minimize the supervisory role of courts in the arbitral process; to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings; to encourage settlement of disputes; to provide that every final arbitral award is enforced in the same manner as if it was a decree of the court; to provide that a settlement agreement reached

by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal; and to provide for enforcement of foreign awards.

***Competition Act, 2002***

The Competition Act, 2002 ("Competition Act") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anticompetitive agreements, abuse of dominant position and combinations. The Competition Commission of India which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti- competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

***The Consumer Protection Act, 1986***

The Consumer Protection Act ("COPRA") aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provided for a three-tier consumer grievance redressal mechanism at the national, state and district levels.

***The Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 ("TP Act") as amended, establishes the general principles relating to transfer of property in India. It forms a basis for 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 contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

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

The Sale of Goods Act, 1930 (“Sale of Goods Act”) governs the contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. The Sale of Goods Act is complimentary to the Indian Contract Act, 1872, and the unrepealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of the Sale of Good Act, continue to apply to contracts for the sale of goods. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

**ENVIRONMENT LAWS**

***National Environmental Policy, 2006***

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

***The Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 ("EPA") is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution.

***Environment (Protection) Act, 1986 as amended (“EPA”)***

EPA provides for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

**OTHER LAWS**

***Foreign Exchange Management Act, 1999 ("FEMA")***

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

***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") 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.

***Foreign Trade (Development and Regulation) Act, 1992 ("FTA")***

The Foreign Trade (Development & Regulation) Act, 1992 The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

***Foreign Direct Investment Policy, 2020***

With the intent and objective of the Government of India to attract and promote foreign direct investment in order to supplement domestic capital, technology and skills, for accelerated economic growth. The Government of India has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable and easily comprehensible. This framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes, effected in the interregnum. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes/press releases which are notified by the RBI as amendments to the FEMA Regulations. These notifications take effect from the date of issue of press notes/ press releases, unless specified otherwise therein. In case of any conflict, the relevant FEMA Notification will prevail. The procedural instructions are issued by the RBI vide A.P. (DIR Series) Circulars. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc. In addition to the above, our Company is also required to comply with the provisions of the SEBI regulations and rules framed thereunder, and other applicable statutes enacted by the Government of India or relevant state governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

## HISTORY AND BACKGROUND

Our Company was incorporated in Mumbai, Maharashtra as *"Vruddhi Steel Private Limited"*, a private limited company under the Companies Act, 2013, vide certificate of incorporation dated October 27, 2020 issued by Assistant Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed in the extraordinary general meeting of our Shareholders held on December 26, 2022, and consequently, the name of our Company was changed to *"Vruddhi Steel Limited"*, and a fresh certificate of incorporation consequent upon conversion from private company to public company dated January 05, 2023, was issued by the RoC to our Company. Later on, January 31, 2023, the running business of the proprietorship concern of our Promoter namely "M/s. Kosmo Ventures" was taken-over by the Company, along with the assets and liabilities of the proprietorship concern as going concern. Further, the name of our Company was changed to *"Vruddhi Engineering Works Limited"* pursuant to a special resolution passed in the extraordinary general meeting of our Shareholders held on April 29, 2023 and a fresh certificate of incorporation dated June 20, 2023 was issued by the Registrar of Companies, Mumbai.

The Company is in business of trading of couplers, threading services and crimping services for couplers, trading, importing and exporting of engineered construction products, MS products and construction machinery and spares.

Our Company is promoted and managed by Bindi Kunal Mehta.

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 chapters titled **"*Our Business*", "*Industry Overview*", "*Our Management*", "*Restated Financial Statements*"** and **"*Management's Discussion and Analysis of Financial Condition and Results of Operations*"** beginning on pages **96**, **84**, **121**, **141**, and **170** respectively of this Red Herring Prospectus.

The total number of members of our Company as on the date of filing of this Red Herring Prospectus is 7 (Seven only). For further details, please refer the chapter titled ***"Capital Structure"*** beginning on page no. **58** of this Red Herring Prospectus.

### CHANGES IN REGISTERED OFFICE OF OUR COMPANY.

Our Company's registered office is presently situated at Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India.

| Date of change of registered office | From | To | Reason for the change of the Registered office |
|---|---|---|---|
| October 15, 2021 | F. No. 502, Gulmohar Residency CHSL. TPS- III, St. Xavier Church Rd. Vile Parle (W) Mumbai-400056, Maharashtra, India | No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India | Operational Convenience |

### MAIN OBJECTS OF OUR COMPANY

The Main Objects clause of the Company as per the Memorandum of Association is as under:

1. To carry on the business of manufacturers, processors, repairers, importers and exporters, of and dealers in MS Steel, steel plates, steel strips, sheet, structure and pipes, ferrous and non-ferrous metal including rollers and re-rollers sheet metal, steel alloy steel, special and stainless steel, aluminum, brass, copper, shafting, bars, rods, wire rods, all kinds of steel wires, flais, structure, plates, blooms, stabs, squares from scrap, sponge iron, pre-produced pillets, billets, ingots, expended metals, hardware materials, construction materials, utensils, hinges, hoops, rounds, circle buckets, fire buckets, bath tubs, mugs, drums, tanks, containers, steel and tubular furniture of all kinds and other material for strong and conveying water, oil and other materials solid or liquid.

2. To carry on in India and elsewhere the trade or business or manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing otherwise dealing in iron and steel of all qualities, grades, types and kinds as iron mongers, iron masters, steel makers and steel converters, stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, iron ore and other allied inputs.

3. To carry on the business of manufacturing, selling, processing, buying, reselling, hiring, importing, exporting, improving, assembling, repairing, distributing and dealing in all and every type of components, machineries, parts, spare parts, replacement parts, accessories, tools, appliances, components and gadgets, including but not limited to rebar couplers, TMT bars, Rebars, round bars, MS Pipes, MS structures, rebar forging machines, rebar threading machine, MS Products, Copper and Aluminium Products , engineering products, fasteners , bolts , support and testing service, rebar forging and threading services , hydraulic crimping service

, tools, CNC machines, lathe machine, machine spare parts applicable for construction industry including building and infrastructure projects in India or abroad.

**AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MOA)**

Since incorporation, the following amendments have been made to the MoA:

| Date of Shareholder's Resolution | Clause | Particulars |
|---|---|---|
| September 14, 2022 | Capital Clause | Increase in authorised share capital from ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each to ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹10 each. |
| December 26, 2022 | Name Clause | Company was converted from a private limited company to a public limited company i.e. name was change from *"Vruddhi Steel Private Limited"* to *"Vruddhi Steel Limited"* |
| March 15, 2023 | Capital Clause | Increase in authorised share capital from ₹2,00,00,000 divided into 20,00,000 Equity Shares of ₹10 each to ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹10 each. |
| April 29, 2023 | Name Clause | The name of our Company was changed from *"Vruddhi Steel Limited"* to *"Vruddhi Engineering Works Limited"* |
| April 29, 2023 | Object Clause | Clause III (A) (3)<br>To carry on the business of manufacturing, selling, processing, buying, reselling, hiring, importing, exporting, improving, assembling, repairing, distributing and dealing in all and every type of components, machineries, parts, spare parts, replacement parts, accessories, tools, appliances, components and gadgets, including but not limited to rebar couplers, TMT bars, Rebars, round bars, MS Pipes, MS structures, rebar forging machines, rebar threading machine, MS Products, Copper and Aluminium Products, engineering products, fasteners , bolts , support and testing service, rebar forging and threading services , hydraulic crimping service , tools, CNC machines, lathe machine, machine spare parts applicable for construction industry including building and infrastructure projects in India or abroad. |

**MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY**

***The following tables set forth the major events and milestones in the history of our company:***

| Calendar Year | Major Events |
|---|---|
| 2020 | Incorporation of the Company in the name and style of ―Vruddhi Steel Private Limited |
| 2022 | Conversion of company from Private Limited to Public Limited company |
| 2023 | Acquisition of M/s. Kosmo Ventures, proprietary concern. |

**HOLDING COMPANY**

As on the date of this Red Herring Prospectus, our Company does not have a Holding or Subsidiary company or any joint venture or any Associate.

**SUBSIDIARY COMPANY/ JOINT VENTURE AND ASSOICATE**

Our Company does not have any subsidiary company/ joint venture and associate as on the date of this Red Herring Prospectus.

**STRATEGIC PARTNERS**

Our Company does not have any strategic partners as on the date of this 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 Red Herring Prospectus, our Company does not have any financial partners.

**TIME AND COST OVERRUN IN SETTING UP OF PROJECTS**

As on the date of this Red Herring Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

**LOCK-OUT AND STRIKES**

There have been no instances of strikes or lock-outs at any time in our Company.

**CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS**

For details pertaining to capacity / facility creation, location of plant refers chapter titled **"*Business Overview*"** beginning on page **96** of this Red Herring Prospectus.

**DETAILS OF LAUNCH OF KEY SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS**

For details pertaining to launch of key products, entry in new geographies or exit from existing markets, please refer chapter titled **"*Business Overview*"** on page **96** of this Red Herring Prospectus.

**DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS**

As on the date of this Red Herring Prospectus, 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.

**ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS**

Except for acquisition of M/s. Kosmo Ventures, our Company has not made any material acquisitions or divestments of any business or undertaking and has not undertaken any mergers or amalgamations in the last 10 years

**REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS**

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

**CHANGES IN THE ACTIVITIES OF OUR COMPANY HAVING MATERIAL EFFECT**

Other than as mentioned in the chapters titled ***"Business Overview"*** and **"*History and Certain Corporate Matter*"** beginning on pages **96** and **118** respectively, of this Red Herring Prospectus, there has been no change in the activities being carried out by our Company which may have a material effect on the profits/ loss of our Company, including discontinuance of the current lines of business, loss of projects or markets and similar factors.

**DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY THE PROMOTER**

As on the date of this Red Herring Prospectus, no guarantee has been issued by Promoter except as disclosed in the chapter titled **"*Financial Indebtedness*"** beginning on page **179** of this Red Herring Prospectus.

**AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTER OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into by key managerial personnel or a Director or Promoter or any other employee of our Company, 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 our Company.

**COLLABORATION**

Our Company has not entered into any Collaboration as on the date of this Red Herring Prospectus.

**INJUNCTION OR RESTRAINING ORDERS**

There are no injunctions/restraining orders that have been passed against the Company.

## OUR MANAGEMENT

### BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

In terms of the Articles of Association, our Company is authorised to have a minimum of 3 and maximum of 15 Directors, in accordance with the provisions of the Companies Act, 2013. As on the date of this Red Herring Prospectus, our Board comprises of 6 Directors, including three Executive Directors, and three Non-Executive Independent Directors. The present composition of the Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013.

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Red Herring Prospectus |
|---|---|
| **BINDI KUNAL MEHTA**<br>**Designation:** Chairman & Managing Director<br>**DIN:** 08936998<br>**Date of Birth**: October 7, 1982<br>**Age:** 41 years<br>**Occupation:** Business<br>**Address:** Flat no, 502 Gulmohar Residency Myriax Tower, St Xavier Church School Road, opp Manju Castle, Vile Parle West-400056, Mumbai<br>**Nationality:** Indian<br>**Original Date of Appointment:** October 27, 2020<br>**Change in Designation:** March 15, 2023.<br>**Period of Directorship:** 3 consecutive years with effect from March 15, 2023 and shall be liable to retire by rotation. | **Public Companies**<br>Nil<br>**Private Companies**<br>• Kassel Realty Private Limited<br>**Limited Liability Partnership**<br>Nil<br>**Foreign Companies**<br>Nil |
| **VEDANT MUKESH MEHTA**<br>**Designation:** Whole Time Director<br>**DIN:** 08936999<br>**Date of Birth**: August 19, 1994<br>**Age:** 29 years<br>**Occupation:** Business<br>**Address:** A/605, Laxmi Apartment, M. G. Cross Road no.4, Behind Patel Nagar, Kandivali-West, Mumbai-400067, Maharashtra, India<br>**Nationality:** Indian<br>**Original Date of Appointment:** October 27, 2020<br>**Change in Designation:** March 15, 2023<br>**Period of Directorship:** 3 consecutive years with effect from March 15, 2023 and shall be liable to retire by rotation. | **Public Companies**<br>Nil<br>**Private Companies**<br>• Kassel Realty Private Limited<br>**Limited Liability Partnership**<br>Nil<br>**Foreign Companies**<br>Nil |
| **VARSHA MUKESH MEHTA**<br>**Designation:** Executive Director<br>**DIN:** 09155275<br>**Date of Birth**: February 7, 1960<br>**Age:** 64 Years<br>**Occupation:** Business<br>**Address:** A 605, Laxmi Apartment, M G Cross Road-4, Behind Patel Nagar, Kandivali West-400067, Maharashtra, India<br>**Nationality:** Indian<br>**Original Date of Appointment:** December 22, 2022<br>**Change in Designation:** April 21, 2023<br>**Period of Directorship:** 3 consecutive years with effect from July 03, 2023 and shall be liable to retire by rotation. | **Public Companies**<br>Nil<br>**Private Companies**<br>Nil<br>**Limited Liability Partnership**<br>• Sabor Foods LLP<br>**Foreign Companies**<br>Nil |

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Red Herring Prospectus |
|---|---|
| **SHIVANI KUMARI JOSHI**<br>**Designation:** Non-Executive Independent Director<br>**DIN:** 09784023<br>**Date of Birth**: February 25, 1998<br>**Age:** 26 Years<br>**Occupation:** Business<br>**Address:** Ward No. 06, Theekariya, Banswara-327605, Rajasthan, India<br>**Nationality:** Indian<br>**Original Date of Appointment:** March 24, 2023<br>**Change in Designation:** April 21, 2023<br>**Period of Directorship:** 5 consecutive years with effect from March 24, 2023 and shall not be liable to retire by rotation | **Public Company**<br>• Danube Industries Limited<br>**Private Companies**<br>Nil<br>**Limited Liability Partnership**<br>Nil<br>**Foreign Companies**<br>Nil |
| **KARAN MANOJ DOSHI**<br>**Designation:** Non-Executive Independent Director<br>**DIN:** 08156212<br>**Date of Birth**: December 28, 1993<br>**Age:** 30 Years<br>**Occupation:** Business<br>**Address:** A/905/907, Shree Naman Towers 41, S V Road, behind Namah Hospital, Kandivali West-400067, Mumbai, Maharashtra, India<br>**Nationality:** Indian<br>**Original Date of Appointment:** March 24, 2023<br>**Change in Designation:** April 21, 2023<br>**Period of Directorship:** 5 consecutive years with effect from March 24, 2023 and shall not be liable to retire by rotation | **Public Companies**<br>Nil<br>**Private Companies**<br>Kothari Drugs & Chemicals Private Limited<br>**Limited Liability Partnership**<br>Nil<br>**Foreign Companies**<br>Nil |
| **ANKITA ROHAN KOTHARI**<br>**Designation:** Non-Executive Independent Director<br>**DIN:** 07335122<br>**Date of Birth**: May 24, 1987<br>**Age:** 36 Years<br>**Occupation:** Business<br>**Address:** 602, Gulmohar Residency, Saint Xaviers Church Road, Vile Parle West-400056, Mumbai, Maharashtra, India<br>**Nationality:** Indian<br>**Original Date of Appointment:** March 24, 2023<br>**Change in Designation:** April 21, 2023<br>**Period of Directorship:** 5 consecutive years with effect from March 24, 2023 and shall not be liable to retire by rotation | **Public Companies**<br>Nil<br>**Private Companies**<br>Kothari Drugs & Chemicals Private Limited<br>**Limited Liability Partnership**<br>Nil<br>**Foreign Companies**<br>Nil |

**Brief Biographies of our Directors**

**Bindi Kunal Mehta**, age 41 years, is the Promoter and Chairman & Managing Director of our Company and she has been on the board since incorporation. She holds degree of bachelor of commerce in financial accounting and audit from University of Mumbai in 2003. She has experience of more than 6 years in steel industry.

**Vedant Mukesh Mehta,** age 29 years, is the Whole Time Director of our Company and he has been on the board since incorporation. He holds bachelor of electronic engineering degree from University of Mumbai, and post graduate diploma in rural management from Institute of Rural Management Anand in 2019. He has experience of more than 3 years in steel industry.

**Varsha Mukesh Mehta,** age 64 years, is the Whole Time Director of our Company and she has been on the board since December 22, 2022. She has done is under graduate.

**Shivani Kumari Joshi,** age 26 years, is the Non-Executive Independent Director of our Company and has been on the board since March 24, 2023. She holds master of arts degree in Literature from Mohanlal Sukhadia University, Udaipur in 2018. She also holds bachelor of

education degree from Mohanlal Sukhadia University, Udaipur in 2020. She has been associated with Danube Industries Limited as Independent Director since November 15, 2022.

**Karan Manoj Doshi,** age 30 years, is the Non-Executive Independent Director of our Company and has been on the board since March 24, 2023. He holds bachelor of technology degree civil degree from Veermata Jijabai Technological Institute in 2015. He has combined experience of more than 7 years in real estate, interior designing and contracting and plastic industry.

**Ankita Rohan Kothari,** age 36 years, is the Non-Executive Independent Director of our Company and has been on the board since March 24, 2023. She holds master of commerce from Mumbai University. She has been associated with Kothari Drugs & Chemicals Private Limited as Director since December 07, 2015.

**Relationship between our Directors**

Except as mentioned below, as on the date of this Red Herring Prospectus, none of our directors are related to each other as per section 2(77) of the Companies Act, 2013.

| Director | Other Director | Relation |
|---|---|---|
| Bindi Kunal Mehta | Vedant Mukesh Mehta | Sister-Brother |
| | Varsha Mukesh Mehta | Daughter-Mother |
| Vedant Mukesh Mehta | Bindi Kunal Mehta | Brother-Sister |
| | Varsha Mukesh Mehta | Son-Mother |
| Varsha Mukesh Mehta | Bindi Kunal Mehta | Mother-Daughter |
| | Vedant Mukesh Mehta | Mother-Son |

**Relationship between our KMPs**

As on the date of this Red Herring Prospectus, none of our directors and KMPs are related to each other, except stated below:

| Key Managerial Personnel | Other Director/KMP | Relation |
|---|---|---|
| Bindi Kunal Mehta | Vedant Mukesh Mehta | Sister-Brother |
| | Varsha Mukesh Mehta | Daughter-Mother |
| Vedant Mukesh Mehta | Bindi Kunal Mehta | Brother-Sister |
| | Varsha Mukesh Mehta | Son-Mother |

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

As on the date of this Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

**Service contracts with Directors**

Our Company do not have any service contract with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

**Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the members at the EGM of the Company held on March 15, 2023, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 10,000 Lakh.

**Terms of Appointment & Remuneration to Executive Directors**

**Bindi Kunal Mehta** was appointed as a Chairman & Managing Director of our Company with effect from March 15, 2023 by virtue of resolution passed by the shareholders in the Extraordinary General Meeting held on March 15, 2023 for a period of 3(three) years for a remuneration of ₹ 50.00 Lakh per annum

**Vedant Mukesh Mehta** was appointed as a Whole-Time Director of our Company with effect from March 15, 2023 by virtue of resolution passed by the shareholders in the Extraordinary General Meeting held on March 15, 2023 for a period of 3(three) years for a remuneration of ₹ 50.00 Lakh per annum.

**Varsha Mukesh Mehta** was appointed as a Whole-Time Director of our Company with effect from July 03, 2023 by virtue of resolution passed by the shareholders in the Extraordinary General Meeting held on July 03, 2023 for a period of 3(three) years for a remuneration of ₹ 20.00 Lakh per annum

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof)

**Compensation paid to Executive Directors during preceding FY 2022-23**

| Name of the Directors | Amount (₹ in lakhs) |
|---|---|
| Bindi Kunal Mehta | Nil |
| Vedant Mukesh Mehta | 3.58 |
| Varsha Mukesh Mehta | Nil |
| **Total** | **3.58** |

**Payment or benefit to Non -Executive Directors and Independent Directors of our Company**

Pursuant to Board resolution dated May 10, 2023 each Non-executive and/or Independent Directors is entitled to receive sitting fees of ₹ 1,000 per month for attending all Board and Committee Meetings. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations. Our Company had appointed Independent Directors on March 24, 2023 in Financial Year 2022-23. Hence, no sitting fees or commission was paid by our Company to any Independent Directors in FY2022-23.

**Remuneration paid or payable to our Directors by our Subsidiaries**

There is no subsidiary of our Company. Hence, none of the Directors of our Company has been paid any remuneration, including any contingent or deferred compensation accrued for Financial Year 2022-23.

**Shareholding of Directors in our Company**

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Red Herring Prospectus is set forth below:

| Name of director | Number of equity shares | Percentage of Pre-Issue Capital (%) |
|---|---|---|
| Bindi Kunal Mehta | 17,76,168 | 96.34% |
| Vedant Mukesh Mehta | 5,000 | 0.27% |
| Varsha Mukesh Mehta | 10,144 | 0.55% |
| **Total** | **17,91,312** | **97.16%** |

**Confirmations**

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Red Herring Prospectus, during their term of directorship in such company.

None of our Directors is or was, a Director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such Company.

None of our Directors have been or was identified as a wilful defaulter as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

**Interest of directors**

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoter and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled **"*Our Management - Shareholding of Directors in our Company*"** on page **121** of this Red Herring Prospectus.

Other than our Promoter, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter **"*Business Overview"*** on page **96** of this Red Herring Prospectus and in the chapter **"*Restated Financial Statement"*** on page **141** none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in **"R*estated Financial Statement*"** on page **141** and as disclosed in this chapter, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Except as stated in ***"Financial Indebtedness"*** on page **179** and as disclosed in this chapter, our Directors have not given any personal guarantee for securing borrowings taken by our Company.

**Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

**Contingent and Deferred Compensation payable to Directors.**

No Director has received or is entitled to any contingent or deferred compensation.

**Bonus or profit-sharing plan for the Directors**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

**Changes in the board of directors in the last three (3) years immediately preceding the date of Red Herring Prospectus.**

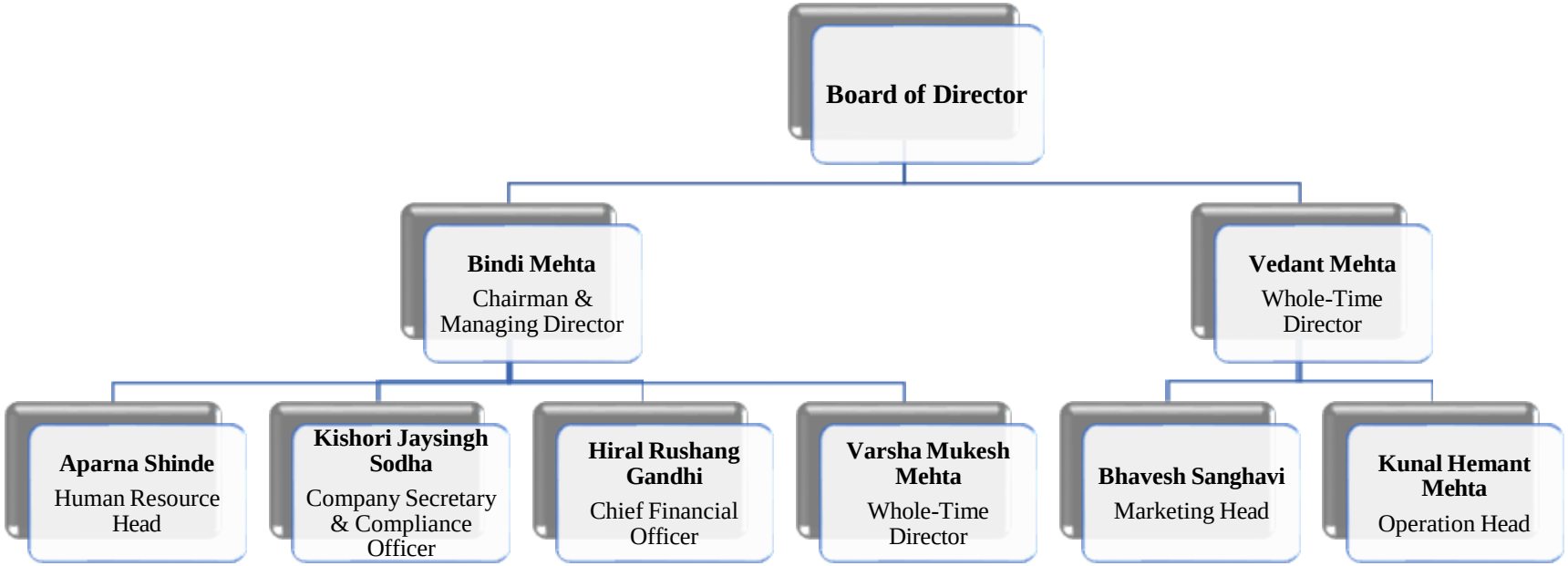
There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of Red Herring Prospectus:

| Sr. No | Name | Date | Designation | Reason |
|---|---|---|---|---|
| 1. | Bindi Kunal Mehta | October 27, 2020 | First Director | Incorporation of Company |
| | | March 15, 2023 | Managing Director | Change in designation |
| 2. | Vedant Mukesh Mehta | October 27, 2020 | First Director | Incorporation of Company |
| | | March 15, 2023 | Whole Time Director | Change in designation |
| 3. | Varsha Mukesh Mehta | December 22, 2022 | Additional Non-Executive Director | Appointment |

| | | | | |
|---|---|---|---|---|
| | | April 21, 2023 | Executive Director | Regularisation and Change in Designation |
| | | July 03, 2023 | Whole-Time Director | Change in Designation |
| 4. | Shivani Kumari Joshi | March 24, 2023 | Additional Non-Executive Independent Director | Appointment |
| | | April 21, 2023 | Non-Executive Independent Director | Regularisation |
| 5. | Karan Manoj Doshi | March 24, 2023 | Additional Non-Executive Independent Director | Appointment |
| | | April 21, 2023 | Non-Executive Independent Director | Regularisation |
| 6. | Ankita Rohan Kothari | March 24, 2023 | Additional Non-Executive Independent Director | Appointment |
| | | April 21, 2023 | Non-Executive Independent Director | Regularisation |

**Management Organization Structure**

**The following chart depicts our Management Organization Structure**



**Corporate Governance**

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on BSE and shall be applicable to us immediately upon the listing of our Equity Shares with the BSE. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

**Constitutions of Committees**

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

**(i) Audit Committee**

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated May 10,2023. The constitution of the Audit Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Ankita Rohan Kothari | Chairperson | Independent Non-Executive Director |
| Karan Manoj Doshi | Member | Independent Non-Executive Director |
| Bindi Kunal Mehta | Member | Chairman & Managing Director |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reason ns for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

**Tenure:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**Role and Powers**

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

**Role of Audit Committee**

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to;
   - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   - changes, if any, in accounting policies and practices and reasons for the same;
   - major accounting entries involving estimates based on the exercise of judgment by management;
   - significant adjustments made in the financial statements arising out of audit findings;
   - compliance with listing and other legal requirements relating to financial statements;
   - disclosure of any related party transactions;
   - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board;
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer Document / Prospectus / Notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval or any subsequent modification of transactions of the listed entity with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

   **Explanation:** *The term "related party transaction" shall have the same meaning as provided in clause 2(zc) of the SEBI Listing Regulations and/ or the applicable Accounting Standards and/ or the Companies Act, 2013.*
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the security and control aspects of the information technology and connectivity systems;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Reviewing compliances with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

20. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
23. Overseeing the vigil mechanism established by the Company, with the Chairman of the Audit Committee directly hearing grievances of victimization of employees and director, used vigil mechanism to report genuine concerns in appropriate and exceptions cases;
24. Review of statutory compliances and legal cases;
25. Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate; and;
26. Reviewing the utilisation of loans and/ or advances from investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provisions;
27. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders;
28. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations:
   a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**Power of Audit Committee**

The Audit Committee shall have powers, including the following:

1. To investigate any activity within its term of reference.
2. To seek information from any employee
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(ii) Nomination and Remuneration Committee**

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on May 10, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Ankita Rohan Kothari | Chairperson | Independent Non-Executive Director |
| Karan Manoj Doshi | Member | Independent Non-Executive Director |
| Shivani Kumar Doshi | Member | Independent Non-Executive Director |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings:**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**Role of Terms of Reference:**

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a) use the services of an external agencies, if required;
   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c) consider the time commitments of the candidates
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;
7. recommend to the board, all remuneration, in whatever form, payable to senior management
8. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders;

**(iii) Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated May 10, 2023. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

| Name of Director | Position in the Committee | Designation |
|---|---|---|
| Karan Manoj Doshi | Chairperson | Independent Non-Executive Director |
| Bindi Kunal Mehta | Member | Chairman & Managing Director |
| Vedant Mukesh Mehta | Member | Whole Time Director |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**Meetings:**

The Stakeholders Relationship Committee is required to meet at least once a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**Terms of Reference:**

Redressal of shareholders' and investors' complaints, including and in respect of:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc
2. Review of measures taken for effective exercise of voting rights by shareholders
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company, and
5. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**Policy on disclosures and internal procedure for prevention of Insider Trading**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on May 10, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**Policy for determination of materiality & materiality of Related Party Transactions and on dealing with Related Party Transactions**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME Platform of BSE. The Board of Directors at their meeting held on May 10, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

**Our Key Managerial Personnel**

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

**Brief Profile of Key Managerial Personnel:**

**Kishori Jaysingh Sodha**, **Company Secretary & Compliance Officer**

**Kishori Jaysingh Sodha,** aged 36 years is Company Secretary & Compliance Officer of our Company. She was appointed by our Board of Directors in their meeting held on July 01, 2023. She is an associate member of the Institute of Company Secretaries of India. She has an overall experience of more than 7 years in the field of secretarial. She was previously associated with Joindre Capital Service Limited before joining our Company as a Company Secretary.

**Hiral Rushang Gandhi, Chief Financial Officer**

Hiral Rushang Gandhi, aged 37 years, is the Chief Financial Officer of our Company. She has been appointed by the Board of Directors of our Company as Chief Financial Officer with effect from March 24, 2023. She holds a degree of master of business administration in finance. She has an overall work experience of 10 years in the field of accounts.

**Bindi Kunal Mehta, Chairman & Managing Director**

For the complete profile of Bindi Kunal Mehta, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading ***"Brief Biographies of our Directors"*** in chapter titled **"*Our Management*"** beginning on of page **121** of this Red Herring Prospectus.

**Vedant Mukesh Mehta, Whole-Time Director**

For the complete profile of Vedant Mukesh Mehta along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held special achievements and business and financial activities, see heading ***"Brief Biographies of our Directors"*** in chapter titled **"*Our Management*"** beginning on of page **121** of this Red Herring Prospectus.

**Varsha Mukesh Mehta, Whole-Time Director**

For the complete profile of Varsha Mukesh Mehta along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see heading ***"Brief Biographies of our Directors"*** in chapter titled **"*Our Management*"** beginning on of page **121** of this Red Herring Prospectus.

**Nature of any family relation between any of the key managerial personnel**

Except as mentioned below, as on the date of this Red Herring Prospectus, none of our key managerial persons are related to each other as per section 2(77) of the Companies Act, 2013.

| Name of Key Managerial Personnel | Other KMP | Relation |
|---|---|---|
| Bindi Kunal Mehta | Vedant Mukesh Mehta | Sister-Brother |

**Arrangement and Understanding with Major Shareholders/Customers/ Suppliers**

As on the date of this Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as a Key Managerial Personnel.

**Bonus or profit-sharing plan of the Key Managerial Personnel**

Except as disclosed above in "Interest of Directors" with respect to the Executive Directors, none of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

**Payment or Benefits to of Our KMPs (non-salary related)**

No non-salary related amount or benefit has been paid or given within the two years preceding the date of this Red Herring Prospectus or is intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

**Interest of Key Managerial Personnel**

Except as disclosed above in "Interest of Directors" with respect to the Managing Director, Whole-time Directors and Executive Director and the personal guarantees given by Bindi Kunal Mehta, Vedant Mukesh Mehta and Varsha Mehta, our Managing Director and Whole-Time Directors' for securing our borrowings mentioned in ***"Financial Indebtedness"*** on page **179**, our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company.

**Service Contracts with Directors and Key Managerial Personnel**

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits.

**Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation accrued for Financial Year 2023 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

**Compensation paid to Key Managerial Personnel during last Financial Year i.e. 2022-23**

For details with respect to the compensation paid to our Key Managerial Personnel during preceding Financial Year 2022-23 please refer to the chapter titled ***"Restated Financial Statement"*** beginning on page **141** of this Red Herring Prospectus.

**Bonus or profit-sharing plan for Key Managerial Personnel**

None of the Key Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

**Status of Permanent Employment of KMPs**

All the key managerial personnel mentioned above are permanent employees of our Company.

**Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel except Bindi Kunal Mehta, Vedant Mukesh Mehta and Varsha Mukesh Mehta, who holds Equity Shares in our Company as on the date of filing of this Red Herring Prospectus. For further details, please refer to the chapter titled **"*Capital Structure*"** beginning on page **58** of this Red Herring Prospectus.

**Changes in Key Managerial Personnel during preceding Three (3) Years**

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years preceding the date of this Red Herring Prospectus:

| Name of KMP | Date of Change in Designation / Appointment | Designation | Reason |
|---|---|---|---|
| Bindi Kunal Mehta | March 15, 2023 | Managing Director | Appointment |
| Vedant Mukesh Mehta | March 15, 2023 | Whole Time Director | Appointment |
| Hiral Rushang Gandhi | March 24, 2023 | Chief Financial Officer | Appointment |
| Anshit Girishkumar Acharya | March 24, 2023 | Company Secretary | Appointment |
| | March 24, 2023 | Company Secretary | Resignation |
| Kishori Jaysingh Sodha | July 01, 2023 | Company Secretary | Appointment |
| Varsha Mukesh Mehta | July 03, 2023 | Whole-Time Director | Appointment |

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTER

The Promoter of our Company is Bindi Kunal Mehta.

As on the date of this Red Herring Prospectus, our Promoter holds in aggregate 17,76,168 Equity Shares of face value ₹10/- each, representing 96.34% of the issued, subscribed and paid-up Equity Share Capital of our Company.

### BRIEF PROFILE OF OUR PROMOTER IS AS FOLLOWS:

| | |
|---|---|
| | **Bindi Kunal Mehta**, aged 41 years. She is the Promoter and Chairman & Managing Director of our Company.<br><br>**Address:** Flat no, 502 Gulmohar Residency Myriax Tower, St Xavier Church School Road, opp. Manju Castle, Vile Parle West-400056, Mumbai<br><br>**Date of Birth:** October 7, 1982<br><br>**Permanent Account Number:** ALCPM1931H<br><br>For the complete profile of Bindi Kunal Mehta i.e.; her educational qualifications, professional experience, positions / posts held in the past and other directorships, special achievements, business and other activities, see "***Our Management***" on page **121** of this Red Herring Prospectus. |

### DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Aadhar Card Number, Driving License Number, Bank Account Number(s) and Passport Number(s) of our Promoter shall be submitted to the Stock Exchange at the time of filing this Red Herring Prospectus.

### OTHER VENTURES OF OUR PROMOTER

Other than as disclosed in this chapter ***"Our Promoter and Promoter Group" and "Our Group Companies"*** on page **135** and **138**, our Promoter are not involved in any other ventures.

### CHANGE IN CONTROL OF OUR COMPANY

Our Promoter is the Original Promoter of the Company and there has not been any change in the management or control of our Company in the five years immediately preceding the date of this Red Herring Prospectus.

### INTEREST OF PROMOTER

*Interest in Promotion of our Company*

Our Company is promoted by Bindi Kunal Mehta who holds 17,76,168 Equity Shares respectively of our Company as of the date of this Red Herring Prospectus.

Our Promoter is interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings in our Company and the shareholding of their relatives in our Company and employment related benefits paid by our Company i.e., remuneration and reimbursement of expenses payable to them in such capacities. For further details, please see chapter titled ***"Capital Structure"*** and ***"Our Management"*** beginning on pages **58** and **121**, respectively of this Red Herring Prospectus.

Our Promoter is also interested in our Company to the extent of being Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities.

Our Promoter may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company and also to the extent of unsecured loans.

No sum has been paid or agreed to be paid to our Promoter and our Promoter are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Further, our Promoter are also directors on the boards, or are shareholders, members or partners, of certain entities forming part of the Promoter Group, Group Company and other entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoter Group, Group Company and such other entities. For the payments that are made by our Company to certain entities forming part of the Promoter Group, Group Company and other related parties, see ***"Offer Document Summary – Summary of Related Party Transactions"*** and ***"Our Group Companies"*** beginning on pages **22** & **138** respectively.

Our Promoter are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

For further details regarding the payments made by our Company to the entities mentioned above, please see chapter titled ***"Offer Document Summary – Summary of Related Party Transactions"*** on page **22**.

For further details, please see chapter titled ***"Capital Structure"***, ***"Restated Financial Statement"*** and ***"Our Management"*** beginning on pages **58**, **141** and **121**, respectively of this Red Herring Prospectus.

*Interest in the properties of our Company*

Except as mentioned in the chapter titled **"*Business Overview*"** and **"*Restated Financial Statement"*** on page **96** and **141** respectively of this Red Herring Prospectus, none of our Promoter and Members of Promoter Group have any interest in any property acquired by or proposed to be acquired by our Company during a period of three (3) years prior to filing of the Red Herring Prospectus.

*Other Interest*

Except as mentioned in the chapter titled ***"Restated Financial Statements"***, and ***"Business Overview"*** on page **141** and **96** respectively, our Promoter is not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, our Promoter and some members of Promoter Group are on the board of the Company and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter, Members of Promoter Group and Group Companies.

**INTEREST OF DIRECTORS**

For further details please refer Chapter ***"Our Management"*** on page **121** of this Red Herring Prospectus.

**INTEREST OF GROUP COMPANY**

For further details please refer Chapter ***"Our Group Companies"*** on page **138** of this Red Herring Prospectus.

**PAYMENT OR BENEFITS TO OUR PROMOTER AND PROMOTER GROUP DURING THE LAST TWO YEARS**

Except in the ordinary course of business and as stated in chapter ***"Restated Financial Statements"*** beginning on page **141** of this Red Herring Prospectus, there has been no payment or benefits to our Promoter during the two (2) years preceding the date of filing of this Red Herring Prospectus, nor there is any intention to pay or give any benefit to our Promoter and Promoter Group as on the date of this Red Herring Prospectus.

**EXPERIENCE OF OUR PROMOTER IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoter in the business of our Company, please see chapter titled ***"Business Overview"*** and ***"Our Management"*** on page no. **96** and **121** respectively of this Red Herring Prospectus.

**RELATED PARTY TRANSACTIONS**

For the transactions with our Group companies, please refer to chapter titled ***"Annexure – XXIX - Related Party Transactions"*** on page **141** of this Red Herring Prospectus

## LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoter, please refer chapter titled ***"Outstanding Litigation and Material Developments"*** on page **183** of this Red Herring Prospectus.

## GUARANTEES

Except as stated in the chapter titled ***"Financial Indebtedness"*** and ***"Restated Financial Statements"*** beginning on page **179** and **141** of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by our Promoter to third parties with respect to specified securities of the Company as on the date of this Red Herring Prospectus.

## COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE (3) YEARS

Our Promoter has not disassociated herself from any firms or companies in the last three (3) years preceding this Red Herring Prospectus.

## OUR PROMOTER GROUP

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, is as under:

**A. *The natural persons who are part of the Promoter Group (due to their relationships with our Promoter), other than our Promoter, are as follows:***

| Relationship With Promoter | Bindi Kunal Mehta |
|---|---|
| **Father** | Mukesh Pranlal Mehta |
| **Mother** | Varsha Mukesh Mehta |
| **Brother** | Vedant Mukesh Mehta |
| **Sister** | Jahanvi Hardik Doshi |
| **Spouse** | Kunal Hemant Mehta |
| **Son** | NA |
| **Daughter** | Maahi Kunal Mehta |
| **Spouse's Father** | Late. Hemant Mohanlal Mehta |
| **Spouse's Mother** | Pallavi Hemant Mehta |
| **Spouse's Brother** | NA |
| **Spouse's Sister** | NA |

**B. Our Promoter Group as defined under Regulation 2(1) (pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:**

1. New Age HR LLP
2. Giriraj Pet Industries
3. Kassel Realty Private Limited
4. Sabor Foods LLP
5. DK Ayurveda

*(Our Promoter Bindi Kunal Mehta was a partner in SKP Trade Link, however as on May 16, 2023 she retired from partnership firm)*

## SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of the shareholding of our Promoter and Promoter Group as on the date of this Red Herring Prospectus, please see chapter titled ***"Capital Structure"*** on page **58** of this Red Herring Prospectus.

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms "***group companies", includes*** *(i) such companies (other than Subsidiaries)* with which the relevant issuer company had related party transactions, had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.

Accordingly, for (i) above, all such companies with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as 'Group Companies' of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered "material" and will be disclosed as a 'group company' in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or aggregate in value exceeds 10% of the Revenue of the Company for the last completed Financial as per the Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Red Herring Prospectus, our Company have following Group Company:

### 1. JAHANVI STEEL PRIVATE LIMITED

**Corporate Information**

Jahanvi Steel Private Limited was incorporated under the Companies Act, 2013 on February 11, 2020, having CIN U52609MH2020PTC337525. The registered office of Jahanvi Steel Private Limited is situated at 13th Floor, 1311, Hubtown Solaris N S Phadke Road, Nr Flyover Bridge, Andheri (E) Mumbai-400069, Maharashtra India.

**Board of Directors**

The Directors of Jahanvi Steel Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name of Director | DIN | Designation |
|---|---|---|
| Hardik Kirti Doshi | 08696066 | Director |
| Jahanvi Hardik Doshi | 08696067 | Director |

**Shareholding Pattern**

The Shareholding Pattern of Jahanvi Steel Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name of Shareholder | No. of Shares | % of Holding |
|---|---|---|
| Hardik Kirti Doshi | 2,88,000 | 18% |
| Jahanvi Hardik Doshi | 13,12,000 | 82% |

**Financial Performance**

Certain details of the audited financials of Jahanvi Steel Private Limited are set forth below:

| Particulars | FY2022-23 | FY2021-22 | FY2020-21 |
|---|---|---|---|
| Revenue from Operation (In lakhs) | 9212.77 | 4894.75 | 1674.25 |
| Profit after Tax (In lakhs) | 60.45 | 21.58 | 9.04 |
| Equity Capital (In lakhs) | 160.00 | 160.00 | 1.00 |
| Reserves & Surplus (excluding revaluation reserve) (In lakhs) | 90.60 | 30.15 | 8.56 |
| Net Worth (In lakhs) | 250.60 | 190.15 | 9.56 |
| NAV per share (Rs.) | 15.66 | 11.88 | 95.62 |
| Earnings per share (EPS) (Rs.) (Basic & Diluted) | 3.78 | 1.35 | 90.43 |
| No. of Equity Shares of Rs. 10/- each (In numbers) | 16,00,000 | 16,00,000 | 1,00,000 |

**DECLARATIONS**

None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.

None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.

None of the entities in the Promoter Group Companies has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

**LITIGATIONS**

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled "***Outstanding Litigations and Material Developments***" on page **183** of the Red Herring Prospectus.

**DEFUNCT GROUP COMPANIES**

There is no defunct Group Companies of our Company as on the date of this Red Herring Prospectus.

**UNDERTAKING / CONFIRMATIONS**

Our Promoters and Group Companies confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

i) Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or

ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company, which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

**DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from the companies/ entities/firms during the preceding three years.

**OTHER DETAILS OF GROUP COMPANIES/ENTITIES:**

1. There are no defaults in meeting any statutory/ bank/ institutional dues;
2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

**NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES**

**(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled ***"Financial Information"*** and Annexure XXIX, ***"Related Party Transaction"*** on page **141** of this Red Herring Prospectus.

(b) **In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft red Herring Prospectus with Stock Exchange**

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Red Herring Prospectus with Stock Exchange.

**(c) In transactions for acquisition of land, construction of building and supply of machinery**

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

**ASSOCIATE COMPANIES/ JOINT VENTURES**

As on Date of this Red Herring Prospectus, we do not have associate company and or entered into Joint ventures.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled ***"Financial Indebtedness"*** beginning on page **179** of this Red Herring Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Red Herring Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

**Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.**

## CHAPTER VI – FINANCIAL STATEMENTS

## RESTATED FINANCIAL STATEMENT

*[The Remainder of this Page has intentionally been left blank]*

**Independent Auditor's Examination Report on Restated Financial Statement of Vruddhi Engineering Works Limited**

**To,**
**The Board of Directors,**
**Vruddhi Engineering Works Limited**
**(CIN- U28246MH2020PLC348853)**
**(Formerly Known as Vruddhi Steel Limited)**
603, Cello Plaza, Vallabhbhai Patel Road,
above Makwana Steel, Vile Parle (W)
Maharashtra 400056.

Dear Sirs,

1. We have examined the attached Restated Financial Statements of **Vruddhi Engineering Works Limited** (the "Company") comprising the Restated Statements of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, Restated Statement of Profit & Loss for the financial period ended on September 30, 2023 and year ended on March 31, 2023, March 31, 2022, and March 31, 2021 and Restated Cash Flow Statement for the financial period ended September 30, 2023 and year Ended on March 31, 2023 and March 31, 2022 along with the summary of significant accounting policies, the notes and Annexure as forming part of these Restated Financial Statements (collectively the "Restated Financial Statement"), as approved by the Board of Directors of the Company at their meeting held on July 29, 2023 and for period ended September 30, 2023 for the purpose of inclusion in the Updated Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus("Offer Document") prepared by the Company in connection with its proposed SME Initial Public Offering ("IPO") on the SME Platform of BSE Limited ("BSE SME").

2. These Restated Financial Statements have been prepared in accordance with the requirements of:

   i. Section 26 of Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;

   ii. The Securities and Exchange Board of India (**Issue of Capital and Disclosure Requirements**) Regulations, 2018, as amended ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the SEBI; and

   iii. 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**").

**Management's Responsibility for the Restated Financial Statements**

3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India ("SEBI"), the SME Exchange of Bombay Stock Exchange of India ("BSE SME") and Registrar of Companies, Mumbai ("ROC") in connection with the proposed SME IPO. The Restated Financial Statement of the company have been extracted and prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Statement. The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statement.

The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

**Auditors' Responsibilities**

**4.** We have examined such Restated Financial Statement taking into consideration:

i. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 8th, 2023 in connection with the proposed IPO of equity shares of the company on BSE SME.

ii. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India **("Guidance Note")**. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

iii. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

iv. 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 SME IPO.

**Restated Financial Statement**

**5.** This Restated Financial Statement have been compiled by the management of the company from:

i. The Audited Financial Statements of the Company for the period ended September 30, 2023 year ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors held on February 23, 2024, July 10, 2023, August 31,2022 and November 11,2021.

**6.** For the purpose of our examination, we have relied on:

i. Auditors' reports issued by us dated February 23, 2024 as at period ended September 30, 2023 and year ended on March 31, 2023 dated July 14, 2023 as referred in Paragraph 5 above

ii. Auditors' Report issued by Vipul J Ruparelia & Co. Chartered Accountants dated August 31, 2022 and November 11, 2021 on the financial statements of the company as at and for the years ended March 31, 2022 and March 31, 2021 respectively, as referred in Paragraph 5 above.

The statutory audits of the company for the financial year ended on March 31, 2022 and March 31, 2021 were conducted by previous statutory auditor i.e. Vipul J Ruparelia & Co. Chartered Accountants and year ended March 31, 2023 and period ended September 30, 2023 was conducted by Maheshwari & Company. Accordingly, reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement") examined by them for the said years.

**7.** Based on our examination and according to the Statement and explanations given to us and also as per the reliance placed on the audit report submitted by the Previous Auditor for the respective years, we further report that Restated Financial Information:

a) The Restated Statement of Assets and Liabilities as at period ended September 30, 2023 and year ended March 31, 2023, March 31, 2022, and March 31, 2021 examined by us, as set out in **Annexure I** to this examination report are after making adjustments and regrouping as in our opinion were appropriate.

b) Fully described in the statement of significant accounting policies in **Annexure IV**.

c) The Restated Statement of Profit and (Loss) of the Company for the financial Period ended September 30 and year ended March 31, 2023, March 31, 2022, and March 31, 2021 examined by us, as set out in **Annexure II** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV**.

d) The Restated Statement of Cash Flows of the Company for the financial period on September 30, 2023 and year ended March 31, 2023, March 31, 2022, and March 31, 2021, examined by us, as set out in **Annexure III** to this examination report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the statement of significant accounting policies in **Annexure IV**.

e) We have performed adequate procedures to restate the Financial Statement for the said years/period.

f) The Restated Financial Statements have been made after incorporating adjustments for:

   i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting years.

   ii. Prior period and other material amounts in the respective financial years to which they relate.

   iii. The Restated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

g) No extraordinary items except as reported in Company Audit Report Order,2016 of Audit report on March 31, 2021 and Company Audit Report Order, 2020 of Audit Report on March 31, 2022 and Company Audit Report Order, 2020 of Audit Report on March 31, 2023 and Company Audit Report Order, 2020 of Audit Report on September 30, 2023 that needs to be disclosed separately in the Restated Financial Statements has been disclosed where ever required.

h) There were No qualifications in the Audit Reports issued by Statutory Auditor(s) for the financial Period ended on September 30, 2023 and Financial Year ended on March 21, 2023, March 31, 2022, and March 31, 2021 which was need not to be adjusted in this Restated Financial Statements of the Company.

i) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report.

j) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements

k) **Emphasis of Matter:**

We draw attention to Note 27(15) balances with respect trade receivable and trade payables are subject to confirmation, reconciliation and consequential adjustments, if any.

We draw attention to Note 27(16) previous year's figures have been regrouped and rearranged wherever necessary to correspond with the current year's classification/ disclosure. if any.

Our opinion is not modified in respect of this matter.

**8.** We have also examined the following Financial Statement relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document: We have also examined the following financial information ("Other Financial information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

- Statement of Share Capital, as restated (Annexure - V)
- Statement of Reserves & Surplus, as restated (Annexure - VI)
- Statement of Long-Term Borrowing, as restated (Annexure - VII)
- Statement of Long Term Provisions, as restated ( Annexure – VIII)
- Statement of Deferred Tax Liabilities/Assets (Net), as restated (Annexure - IX)
- Statement of Short-Term Borrowing, as restated (Annexure - X)
- Statement of Trade Payables, as restated (Annexure- XI)
- Statement of Short-Term Provision, as restated (Annexure- XII)
- Statement of Other Current Liability, as restated (Annexure- XIII)
- Statement of Property, Plant & Equipment & Intangible Assets, as restated (Annexure- XXVI)
- Statement of Non-Current Investments, as restated (Annexure- XV)
- Statement of Inventories, as restated (Annexure - XVI)
- Statement of Trade Receivables, as restated (Annexure- XVII)
- Statement of Cash and Cash Equivalents, as restated (Annexure - XVIII)
- Statement of Short Terms Loans and Advances, as restated (Annexure – XIX)
- Statement of Other Current Assets, as restated (Annexure- XX)
- Statement of Revenue from Operations, as restated (Annexure – XXI)
- Statement of Other Income, as restated (Annexure – XXII)
- Statement of Purchases of Stock in trade , as restated (Annexure –XXIII)
- Statement of Changes in Inventories, as restated (Annexure –XXIV)
- Statement of Employee Benefit Expenses, as restated (Annexure –XXV)
- Statement of Finance Cost, as restated (Annexure – XXVI)
- Statement of Other Administrative Expenses, as restated (Annexure – XXVII)
- Statement of Earning Per Shares, as restated (Annexure – XXVIII)
- Statement of Actuarial Report, as restated (Annexure – XXIX)
- Statement of Additional Notes and Ratio Analysis, as restated (Annexure – XXX)
- Statement of Capitalization, as restated (Annexure – XXXI)
- Statement of Tax Shelter, as restated (Annexure – XXXII)
- Statement of Other Financial Statement, as restated (Annexure – XXXIII)
- Statement of Reconciliation of Restated profit after tax, Restated Equity/Net Worth, as restated (Annexure –XXXIV)

**9.** We, M/s. Maheshwari and Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI which is valid till February 28th, 2026

**10.** In our opinion, the Restated Financial Statements and the other Financial Statement set forth in Annexure I to XXXIV read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India(ICAI).

**11.** Consequently, the financial Statement has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial Statement may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

**12.** This report should not in any way construed as a re-issuance or re-drafting of any of the previous audit report issued byus nor should this report be construed as new opinion on any of the financial statement referred to therein.

**13.** We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**14.** This report is intended solely for your Statement and for inclusion in the Draft Prospectus/ Prospectus to be filed with the SME platform of the Bombay Stock Exchange of India Limited, Securities and Exchange Board of India and Registrar of Companies, Mumbai, in connection with the proposed SME IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For Maheshwari & Co.**
**Chartered Accountants**
**Firm's Registration No. 105834W**

**Vikas Asawa**
**(Partner)**
**Membership No. 172133**

**Date: February 23, 2024**
**Place: Mumbai**
**UDIN: 24172133BKAKPP9276**

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**ANNEXURE-I RESTATED STATEMENTS OF ASSETS & LIABILITIES**

| Particulars | Note No. | As at September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | | | |
| **(1) Equity** | | | | | |
| (a) Equity Share Capital | 3 | 184.36 | 6.33 | 1.00 | 1.00 |
| (b) Share application money pending allotment | | - | 87.23 | - | - |
| (c) Reserves and Surplus | 4 | 68.77 | 118.55 | 8.56 | (0.88) |
| **Total Equity** | | **253.13** | **212.12** | **9.56** | **0.12** |
| **(2) Non-Current Liabilities** | | | | | |
| (a) Long-term borrowings | 5 | 30.65 | 53.14 | 40.61 | 2.22 |
| (b) Long-Term Provision | 6 | 4.21 | 3.07 | 0.43 | - |
| (c) Defered Tax Liability | 7 | 11.31 | 1.58 | 0.44 | - |
| **Total Non Current Liabilities** | | **46.17** | **57.79** | **41.48** | **2.22** |
| **(3) Current Liabilities** | | | | | |
| (a) Short-term borrowings | 8 | 271.26 | 270.23 | 6.88 | - |
| (b) Trade payables | 9 | | | | |
| (i) Total Oustanding dues of Micro enterprises and small Enterprises | | - | - | - | - |
| (ii) Total Oustanding dues of Other than micro enterprises and small Enterprises | | 165.62 | 192.33 | 15.04 | 0.32 |
| (c) Short-term provisions | 10 | 61.75 | 42.26 | 25.28 | 0.35 |
| (d) Other Current Liabilities | 11 | 10.66 | 7.61 | 1.90 | - |
| **Total Current Liabilities** | | **509.29** | **512.43** | **49.09** | **0.67** |
| **Total** | | **808.58** | **782.33** | **100.14** | **3.02** |
| **II. ASSETS** | | | | | |
| **(1) Non-Current Assets** | | | | | |
| (a) Property Plant and Equipements | 12 | 170.43 | 137.30 | 31.09 | - |
| (b) Non Current Investments | 13 | 1.30 | 1.30 | - | - |
| **Total Non Current Assets** | | **171.73** | **138.60** | **31.09** | **-** |
| **(2) Current Assets** | | | | | |
| (a) Inventories | 14 | 76.00 | 43.34 | 3.93 | 0.29 |
| (b) Trade receivables | 15 | 521.72 | 528.44 | 49.06 | - |
| (c) Cash and cash equivalents | 16 | 26.11 | 37.62 | 10.07 | 1.19 |
| (d) Short-term loans and advances | 17 | 11.06 | 33.33 | 5.99 | 1.54 |
| (e) Other Current Assets | 18 | 1.95 | 0.99 | - | - |
| **Total Current Assets** | | **636.85** | **643.73** | **69.05** | **3.02** |
| **Total** | | **808.58** | **782.33** | **100.14** | **3.02** |

**The above statement should be read with significant accounting policies & notes on financial statements in Annexure IV & XXX**
As per our Report of even date.

**For Maheshwari & Co.**
**Chartered Accountants**
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

Place: Mumbai
Date: February 23, 2024

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi Kunal Mehta**
(Mananging Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**ANNEXURE -II RESTATED STATEMENTS OF PROFIT AND LOSS FOR THE PERIOD ENDED**

| Particulars | Note No. | Period ended September 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| I. Revenue from operations | 19 | 935.33 | 1,307.69 | 220.65 | 0.44 |
| II. Other Income | 20 | 0.03 | 1.93 | - | - |
| **III Total Revenue (I+II)** | (I+II) | 935.36 | 1,309.62 | 220.65 | 0.44 |
| **Expenses:** | | | | | |
| Purchase of stock in Trade | 21 | 604.07 | 972.64 | 160.46 | 0.87 |
| Changes in Inventories of Traded Goods | 22 | (32.66) | (39.41) | (3.63) | (0.29) |
| Employee benefit expenses | 23 | 93.29 | 121.25 | 8.18 | 0.17 |
| Financial costs | 24 | 18.93 | 14.04 | 0.10 | - |
| Depreciation and amortization expense | 12 | 11.17 | 21.51 | 1.65 | - |
| Other expenses | 25 | 173.33 | 118.15 | 41.31 | 0.57 |
| **IV. Total Expenses** | | 868.12 | 1,208.17 | 208.05 | 1.32 |
| **V. Profit before Tax (III-IV)** | (III - IV) | 67.23 | 101.45 | 12.60 | (0.88) |
| **VI. Tax expense: (V-VI)** | | | | | |
| (1) Current tax | | 16.50 | 24.97 | 2.72 | - |
| (2) Deferred tax | | 9.73 | 1.14 | 0.44 | - |
| **VII. Profit/Loss after tax** | (VI - VII) | 41.01 | 75.34 | 9.44 | (0.88) |
| **VIII. Earning per equity share:** | | | | | |
| Equity Shares of par value of Rs.10 Each | | | | | |
| (1) Basic & Diluted (Before bonus) | 26 | 64.74 | 242.69 | 94.42 | (8.75) |
| (2) Basic & Diluted (After bonus) | | 2.22 | 15.17 | 5.90 | (0.55) |

**The above statement should be read with significant accounting policies & notes on financial statements in Annexure V & XXX**
As per our report of even date

**For Maheshwari & Co.**
**Chartered Accountants**
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi Kunal Mehta**
(Managing Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

Place: Mumbai
Date: February 23, 2024

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**ANNEXURE-III RESTATED STATEMENT OF CASH FLOW**

| Sr. No. | Particulars | | For Year Ended September 30, 2023 | For Year Ended March 31, 2023 | For Year Ended March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|---|
| A | **Cash Flow From Operating Activities** | | | | | |
| | Net Profit / (Loss) Before Taxes | | 67.23 | 101.44 | 12.60 | (0.88) |
| | **ADD:** | | | | | |
| 1 | Depreciation | | 11.17 | 21.51 | 1.65 | - |
| 2 | Interest Paid | | 15.17 | 14.04 | 0.10 | - |
| | **Operating Cash Flows Before Working Capital Adjustments** | | **93.57** | **136.99** | **14.34** | **(0.88)** |
| | **ADJUSTMENT FOR :** | | | | | |
| | (Increase) / Decrease In Inventory | | (32.66) | (39.41) | (3.63) | (0.29) |
| | (Increase) / Decrease In Trade Receivables | | 6.73 | (479.39) | (49.06) | - |
| | (Increase) / Decrease In Loans & Advances | | 22.27 | (27.34) | (4.46) | (1.54) |
| | (Increase) / Decrease In Other Current Assets | | (0.96) | (0.99) | - | |
| | Increase/(decrease) in Trade payables | | (26.71) | 177.30 | 14.72 | 0.32 |
| | Increase/(decrease) in Short-term Provision | | 16.56 | 16.98 | 24.93 | 0.35 |
| | Increase/(decrease) in Other Current Liabilities | | 3.05 | 5.71 | 1.90 | |
| | Increase/(decrease) In Long term Provisions | | 1.14 | 2.63 | 0.43 | |
| | **Cash generated/(used) in operations** | | (10.58) | (344.52) | (15.17) | (1.16) |
| | Income taxes paid | | (13.56) | (24.97) | (2.72) | - |
| | **Net Cash Generated From Operating Activities** | **A** | **69.43** | **(232.49)** | **(3.55)** | **(2.04)** |
| B | **Cash Flow From Investing Activites** | | | | | |
| | Purchase Of Fixed Assets | | (44.30) | (127.73) | (32.73) | - |
| | Investment in Kosmo Ventures | | - | (1.30) | - | |
| | Proceeds from issuse of share capital | | - | - | - | 1.00 |
| | Share application Money held | | - | 87.23 | - | - |
| | **Net Cash Generated (Used) In Investing Activities** | **B** | **(44.30)** | **(41.80)** | **(32.73)** | **1.00** |
| C | **Cash Flow From Financing Activites** | | | | | |
| | Proceeds/( Repayment) From Short Term Borrowings (net) | | 1.03 | 263.35 | 6.88 | |
| | Proceeds/( Repayment) From Long Term Borrowings (net) | | (22.49) | 12.53 | 38.39 | 2.22 |
| | Interest Paid | | (15.17) | (14.04) | (0.10) | - |
| | Issue of Shares with securities Premium | | | 40.00 | - | |
| | **Net Cash Generated /(Used) in Financing Activities** | **C** | **(36.64)** | **301.84** | **45.16** | **2.22** |
| | **Net Increase / (Decrease) In Cash And Cash Equivalents** | **(A+B+C)** | **(11.51)** | **27.55** | **8.88** | **1.19** |
| | Cash & Cash Equivalents At The Beginning Of The Year | | 37.62 | 10.07 | 1.19 | - |
| | **Cash And Cash Equivalents At The End Of The Year** | | 26.11 | 37.62 | 10.07 | 1.19 |
| | | | **(11.51)** | **27.55** | **8.88** | **1.19** |

**The above statement should be read with significant accounting policies & notes on financial statements in Annexure IV & XXX**

**As per our Report of even date.**

**For Maheshwari & Co.**
Chartered Accountants
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

Place : Mumbai
Date: February 23, 2024

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi kunal mehta**
(Managing Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**Notes To Restated Financial Statement Including A Summary Of Significant Accounting Policies And Other Explanatory Information As At And For The Period Ended**

**ANNEXURE- IV**

**Note:**

**1 SIGNIFICANT ACCOUNTING POLICIES:**

**Company Overview**

VRUDDHI ENGINEERING WORKS LIMITED was incorporated on October 27, 2020. Formerly, known as VRUDDHI STEEL LIMITED which was Changed Form VRUDDHI STEEL LIMITED to VRUDDHI ENGINEERING WORKS LIMITED. The company has registered Office Loacted at 603, Cello Plaza, VP Road, Above Makwana Steel, Vile Parle (W), Mumbai-56. Our Company is mainly engaged in offering mechanical splicing solutions to the real estate, construction and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares.

**2 Basis of Preparation of Restated Financial Statements:**

(a) The Restated financial statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on accrual basis and on principles of going concern. The accounting policies are consistently applied by the Company.

(b) The Restated financial statements are prepared to comply in all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Companies Act, 2013.

(c) The preparation of the Restated financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

**2.1 a) Use of Estimates:**

The preparation of the Restated financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

**b) Going Concern:**

Accordingly, these financial statements have been prepared on a going concern basis i.e. the assets and liabilities are recorded on the basis that the Company will be able to realize its assets and discharge its liabilities in the normal course of the business.

**c) Current-Non-Current classification**

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

b. it is held primarily for the purposes of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the company's normal operating cycle;

b. it is held primarily for the purposes of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current."

**d) Property, Plant and Equipment and Intangible**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all incidental costs related to acquisition and installation, other pre-operative costs and interest on borrowed funds, if any, used to finance the acquisitions of fixed assets and is capitalized up to the date the assets are ready for commercial use.

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013.

**(e) Foreign Exchanges**

Foreign Currency Transaction are recorded at the Exchange rate prevailing on the date of transaction. Gains and (Loss) arising out of subsequent Fluatuation are accounted for an actual payment or realization Monetary items denominated in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences other than those relating to acquisition of fixed assets from a country outside India are secognized in the Profit and Loss Account, Exchange differences relating to acquisition of fixed assets from a country outside India are adjusted to carrying cost of fixed assets.

**f) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss,

unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased,such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

**g) Revenue Recognition:**

Revenue/income are recognised generally when goods are supplied to customers and are recorded inc of Goods and service Tax

**h) Investments:**

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investment. Investments that are readily realizable and are expected to be realized within twelve months after the reporting date are classified as “Current investments”. All other investments are classified as “Non-current investments”.

**i) Provision for Current and Deferred Tax:**

Current Tax: Provisions for Current Tax is made at the current rate of tax after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax: Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

**j) Provision, Contingent Liabilities and Commitments:**

(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as result of past events and it is probable that there will be an outflow of resources.

(b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

(c) A Contingent Assets are recognized when realisation of income is virtually certain.

**k) Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and 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.

**l) Inventories:**

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials,Semi Finished goods Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary resources of business, less estimated costs of completion and estimated costs necessary to make the sale, however due to the nature of the company the own manufactured goods are valued at a Retail Method basis on a consistent basis, however the Trading Goods are valued at the lower of Cost or Net Realisable Value.

**2.2 Earnings per Share:**

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**Notes Forming Part Of Restated Financial Statements For The Period Ended**

**Note 3 :Share Capital** Annexures V

| Sr No | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | **AUTHORISED**<br>30,00,000 Equity shares of Rs 10 each ( Previous year: 3,00,000 Equity shares of Rs 10 each ) | 300.00 | 300.00 | 1.00 | 1.00 |
| 2 | **ISSUED , PAID UP :**<br>18,43,584 Equity shares of Rs 10 each fully paid up(Previous Year : 63,334 Equity Shares of Rs. 10/- each.) | 184.36 | 6.33 | 1.00 | 1.00 |
| | **Total** | **184.36** | **6.33** | 1.00 | 1.00 |

**Note : 3(A) - Reconciliation of no. of Shares outstanding:**

| Sr No | Particular | As at September 30, 2023 | | Equity Shares March-23 | | Equity Shares March-22 | | Equity Shares March-21 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Number | (Rs. In lakhs) | Number | (Rs. In lakhs) | Number | (Rs. In lakhs) | Number | (Rs. In lakhs) |
| 1 | Shares outstanding at the beginning of the year | 63,334 | 6.33 | 10,000 | 1.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| 2 | Shares Issued during the year | 17,80,250 | 178.03 | 53,334 | 5.33 | - | - | - | - |
| 3 | Shares bought back during the year | - | - | - | - | - | - | - | - |
| | Shares outstanding at the end of the year | **18,43,584** | **184.36** | **63,334** | **6.33** | **10,000** | **1.00** | **10,000** | **1.00** |

**Note 3(B)** - Rights, Preferences & Restrictions of each class of shares
Ordinary Equity Shares have equal voting rights and dividend entitlement, as laid down under the Companies Act, 2013.

**Note 3(C) -** The company does not have any holding company.

**Note 3(D) - Details of shareholders holding of more than 5% shares:**

| Sr No | Particular | As at September 30, 2023 | | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|---|---|---|
| | Details of shareholding pattern | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held |
| 1 | Bindi Kunal Mehta | 96.3% | 17,76,168 | 7.6% | 4,800 | 63.00% | 6,300 | 63.00% | 6,300 |
| 2 | Vedant Mukesh Mehta | 0.3% | 5,000 | 86.3% | 54,633 | 37.00% | 3,700 | 37.00% | 3,700 |
| | **TOTAL NOMINAL VALUE QTY** | **96.61%** | **17,81,168** | **93.84%** | **59,433** | **100%** | **10,000** | **100%** | **10,000** |

**Note 3(E) -** Shares were alloted as fully paid up by way of Bonus shares as on 20 April 2023.

**Note : 3(F) - Shareholding of Promoters**

| Shares held by promoters at the end | | As at September 30, 2023 | | As at 31st March 2023 | | As at 31st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|---|---|---|---|---|
| Sr No. | Promoter's name | % of Holding | No. of Shares | No. of Shares | % of Holding | No. of Shares | % of Holding | No. of Shares | % of Holding |
| 1 | Bindi Kunal Mehta | 96.34% | 17,76,168 | 4,800 | 7.58% | 6,300 | 63.00% | 6300 | 63.00% |
| 2 | Vedant Mukesh Mehta | 0.27% | 5,000 | 54,633 | 86.26% | 3,700 | 37.00% | 3700 | 37.00% |
| | **Total** | **96.61%** | **17,81,168** | **59,433** | **93.84%** | **10,000** | **100.00%** | **10000** | **100.00%** |

**Details of Shares hold by promoters :**

**Shareholding of Promoters as on September, 30 2023 :**

| Promoter name | No of Shares | % of Total Shares | % Change during the Year |
|---|---|---|---|
| **Bindi Kunal Mehta** | **17,76,168.00** | **96.30%** | 88.76% |
| **Vedant Mukesh Mehta** | **5,000.00** | **0.30%** | 85.99% |

**Shareholding of Promoters as on March, 31 2023 :**

| Promoter name | No of Shares | % of Total Shares | % Change during the Year |
|---|---|---|---|
| **Bindi Kunal Mehta** | **4,800.00** | **7.60%** | **55.42%** |
| **Vedant Mukesh Mehta** | **54,633.00** | **86.30%** | **49.26%** |

**Shareholding of Promoters as on March, 30 2022 :**

| Promoter name | No of Shares | % of Total Shares | % Change during the Year |
|---|---|---|---|
| **Bindi Kunal Mehta** | **6,300.00** | **63.00%** | - |
| **Vedant Mukesh Mehta** | **3,700.00** | **37.00%** | - |

**Shareholding of Promoters as on March, 30 2021 :**

| Promoter name | No of Shares | % of Total Shares | % Change during the Year |
|---|---|---|---|
| **Bindi Kunal Mehta** | **6,300.00** | **63.00%** | - |
| **Vedant Mukesh Mehta** | **3,700.00** | **37.00%** | - |

**Note 4: Reserves and Surplus** Annexures VI

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Securities Premium Accounts | 116.71 | 34.66710000 | - | - |
| 2 | Profit/ loss from Beginning the year | 83.89 | 8.56153000 | (0.88) | - |
| 3 | Profit/ loss for during the year | 41.01 | 75.32563640 | 9.44 | (0.88) |
| 4 | Utilized for bonus issue | (172.84) | - | - | - |
| | Total | **68.77** | **118.55** | **8.56** | **(0.88)** |

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance wit the provisions of the Companies Act, 2013.

**Note: Retained Earnings Reserve**
This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

**Note : Bonus Issue**
A bonus share was issued on April 21, 2023, in the ratio of 1:15 in the number of shares held by shareholders whose names appear on the register of members of the company as of the record date at face value of 10 each.

**Note : Authorised Capital & Preferential Allotment**
51,890 Equity shares fully paid were issued on through Preferential Allotment share issued on Dated 13th April 2023.
Company has increased authorised capital from Rs. 100,000/- (Rupees One Lakhs only) divided into 10,000 (One Lakhs Only ) Equity shares of Rs. 10/- each to Rs. 300,00,000/- (Rupees Two Crores only) divided into 30,00,000 (Thirty Lakhs) Equity shares of Rs. 10/- each vide resolution dated 20th April, 2023.

**Note 5: Details of Long Term Borrowings as** Annexures VII

| Particulars | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|
| Secured Borrowings | | | | |
| Term Loan from Bank | 35.29 | 39.80 | - | - |
| Less: Current Maturities | (9.65) | (9.22) | - | - |
| Unsecured Borrowings | | | | |
| Loan from Related Parties | 5.00 | 22.56 | 40.61 | 2.22 |
| **Total** | **30.65** | **53.14** | **40.61** | **2.22** |

**Note 5.1: Term Loan from Banks**
**A) Secured by way of:**
**Primary Security**

| Sr No. | Bank Name | Security |
|---|---|---|
| 1 | ICICI Bank | Rs. 6.94 Lakhs - Tempo Loan |
| 2 | ICICI Bank | Rs. 16.97 Lakhs - Car Loan |
| 3 | ICICI Bank | Rs. 8.91 Lakhs - Tempo Loan |
| 4 | ICICI Bank | Rs. 9.00 Lakhs - Tempo Loan |
| 5 | ICICI Bank | Rs. 4.10 Lakhs - Tempo Loan |
| 6 | Canara Bank | Rs. 11.18 Lakhs - Term Loan |

**VRUDDHI ENGINEERING WORKS LIMITED**
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**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**Notes Forming Part Of Restated Financial Statements For The Period Ended**

**B) Details of Terms of Repayment** Annexures VII

| Sr No. | Bank Name | Sanction Amount (In lakhs) | No. of Installments | Terms of Repayment | First Installment Date |
|---|---|---|---|---|---|
| 1 | ICICI Bank | 6.94 | 60 Month | E-Payment | 15.03.2022 |
| 2 | ICICI Bank | 16.97 | 60 Month | E-Payment | 05.07.2022 |
| 3 | ICICI Bank | 8.91 | 60 Month | E-Payment | 15.05.2022 |
| 4 | ICICI Bank | 9.00 | 48 Month | E-Payment | 15.11.2022 |
| 5 | ICICI Bank | 4.10 | 36 Month | E-Payment | 07.01.2023 |
| 6 | Canara Bank | 11.18 | 60 Month | E-Payment | 10.02.2023 |

**Note 6: Long Term Provisions** Annexure- VIII

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Gratuity Payable | 4.21 | 3.07 | 0.43 | - |
| | Total | **4.21** | **3.07** | **0.43** | **-** |

**Note 7: Deffered Tax Laibility** Annexure- IX

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Deffered Tax | 11.31 | 1.58 | 0.44 | - |
| | Total | **11.31** | **1.58** | **0.44** | **-** |

**Note 8: Short Term Borrowings** Annexure- X

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Canara Bank Loan A/c | 24.17 | 11.18 | - | - |
| 2 | Bank CC Account (Refer Note 8A) | 237.44 | 249.83 | 6.88 | - |
| 3 | Current Maturities of Long term borrowings | 9.65 | 9.22 | - | - |
| | Total | **271.26** | **270.23** | **6.88** | **-** |

**Note 8A: Details of Short Term Borrowings**

| Particulars | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|
| **Secured** | | | | |
| Loan from Banks | | | | |
| - Cash Credit from Bank | 237.44 | 249.83 | 6.88 | - |
| - Term Loan | 24.17 | 11.18 | - | - |
| **Total** | **261.61** | **261.01** | **6.88** | **-** |

**Note 8.1: Details of Security for Cash Credit from Bank**
Cash Credit from Canara Bank is secured by hypothecation of over entire current assets (including receivables) of the company, present & future and personnel guarantee of directors.

**Note 8.2:**
Statements of Current Assets have been regularly filed with the bank on monthly basis for Cash Credit from Bank.
**Note 8.3: The following is the summary of the differences between Current Assets declared with the Bank and as per Books**

| Particulars | Quarter | Amount as per Books | Amount reported in Quarterly return | Amount of difference | Reasons |
|---|---|---|---|---|---|
| Canara Bank | Qtr 1 | 64.59 | 72.49 | (7.91) | On Provisonal Basis |
| Canara Bank | Qtr 2 | 76.00 | 92.92 | (16.92) | On Provisonal Basis |

**Note 9 Trade Payables (Refer Note 9A and 9B)** Annexure- XI

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| 2 | Total outstanding dues of creditors other than micro enterprises and small enterprises | 165.62 | 192.33 | 15.04 | 0.32 |
| | Total | **165.62** | **192.33** | **15.04** | **0.32** |

**Note 9A: Trade Payables ageing schedule**
**Trade Payable Ageing Schedule as on September 30, 2023**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| 1 | MSME | - | - | - | - | - | - |
| 2 | Others | - | 165.62 | - | - | - | 165.62 |
| 3 | Disputed dues – MSME | - | - | - | - | - | - |
| 4 | Disputed dues - Others | - | - | - | - | - | - |
| | **Total** | - | **165.62** | **-** | **-** | **-** | **165.62** |

**Trade Payable Ageing Schedule as on March 31, 2023**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| 1 | MSME | - | - | - | - | - | - |
| 2 | Others | - | 192.33 | - | - | - | 192.33 |
| 3 | Disputed dues – MSME | - | - | - | - | - | - |
| 4 | Disputed dues - Others | - | - | - | - | - | - |
| | **Total** | - | **192.33** | **-** | **-** | **-** | **192.33** |

**Trade Payable Ageing Schedule as on March 31, 2022**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| 1 | MSME | - | - | - | - | - | - |
| 2 | Others | - | 15.04 | - | - | - | 15.04 |
| 3 | Disputed dues – MSME | - | - | - | - | - | - |
| 4 | Disputed dues - Others | - | - | - | - | - | - |
| | **Total** | - | **15.04** | **-** | **-** | **-** | **15.04** |

**Trade Payable Ageing Schedule as on March 31, 2021**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| 1 | MSME | - | - | - | - | - | - |
| 2 | Others | - | 0.32 | - | - | - | 0.32 |
| 3 | Disputed dues – MSME | - | - | - | - | - | - |
| 4 | Disputed dues - Others | - | - | - | - | - | - |
| | **Total** | - | **0.32** | **-** | **-** | **-** | **0.32** |

**Disclosures required under Section 22 of the Micro, Small & Medium Enterprises Developmemt Act, 2006**

| Sr No. | Note 9B : Disclosure of MSME Trade Payables | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Principal amount due to suppliers remaining unpaid as at year/period end | - | - | - | - |
| 2 | Interest due to suppliers remaining unpaid as at year/period end | - | - | - | - |
| 3 | Interest paid, under Section 16 of MSMED Act,2006 on account of delayed payment | - | - | - | - |
| 4 | Amount of the payment made to the supplier beyond the appointed day as specified by MSMED Act, 2006 during the year/period | - | - | - | - |
| 5 | Interest due and payable towards payment made to suppliers beyond the appointed date during the year/period | - | - | - | - |
| 6 | The amount of interest accrued & remaining unpaid at the end of the year/period | - | - | - | - |
| 7 | The amount of Interest payable for previous year and remaining unpaid the end of the year/period | - | - | - | - |
| | **Total** | - | - | - | - |

**VRUDDHI ENGINEERING WORKS LIMITED**
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**(CIN-U28246MH2020PLC348853)**
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**Note 10 Short Term Provisions** Annexure- XII

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Provision for Expenses | 48.39 | 31.83 | 22.56 | 0.35 |
| 2 | Provision for Taxation(Net) | 13.36 | 10.42 | 2.72 | - |
| | **Total** | **61.75** | **42.26** | **25.28** | **0.35** |

**Note 11 Other Current Liabilities** Annexure- XIII

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Statutory Dues* | | | | |
| | (Including payables for TDS and GST) | 7.31 | 7.61 | 1.90 | - |
| 2 | Retention Money | 1.31 | - | - | - |
| 3 | Advances from customers | 2.04 | - | - | - |
| | **Total** | **10.66** | **7.61** | **1.90** | **-** |

**Note 13 Non Current Investment** Annexure- XV

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Investment in unlisted shares | 1.30 | 1.30 | - | - |
| | Total | **1.30** | **1.30** | - | - |

**Note 14: Inventories** Annexure- XVI

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Trading Goods | 76.00 | 43.34 | 3.93 | 0.29 |
| | Total | **76.00** | **43.34** | **3.93** | **0.29** |

**Note 15:Trade Receivables** Annexure- XVII

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | **(Unsecured, considered good)** | | | | |
| | Trade Receivables | 529.38 | 528.44 | 49.06 | - |
| | Less:- Provision For Bad Debts | (7.66) | | | |
| | Total | **521.72** | **528.44** | **49.06** | **-** |

**Trade Receivable Ageing Schedule as on September 30, 2023**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| (i) | Undisputed Trade receivables – considered good | - | 517.18 | 9.08 | 3.12 | - | - | 529.38 |
| (ii) | Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| | Less :- Provision For Bad Debts | | - | - | - | - | - | (7.66) |
| | **Total** | - | **517.18** | **9.08** | **3.12** | - | - | **521.72** |

**Trade Receivable Ageing Schedule as on March 31, 2023**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| (i) | Undisputed Trade receivables – considered good | - | 525.03 | 1.29 | 2.13 | - | - | 528.44 |
| (ii) | Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| | **Total** | - | **525.03** | **1.29** | **2.13** | - | - | **528.44** |

**Trade Receivable Ageing Schedule as on March 31, 2022**

| Sr. No. | Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Not due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| (i) | Undisputed Trade receivables – considered good | - | - | 49.06 | | - | - | 49.06 |
| (ii) | Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables considered good | - | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables considered doubtful | - | - | - | - | - | - | - |
| | **Total** | - | **-** | **49.06** | **-** | - | - | **49.06** |

**Note 16:Cash and Cash Equivalents** Annexure- XVIII

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Cash in Hand | 20.76 | 31.79 | 3.09 | - |
| 2 | Bank Balances in Current Accounts | 5.35 | 5.82 | 6.98 | 1.19 |
| | **Total** | **26.11** | **37.62** | **10.07** | **1.19** |

**Note 17: Short Term Loans and Advances** Annexure- XIX

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Advance Tax | | - | 3.99 | 1.40 |
| 1 | Deposits | 4.83 | 4.46 | 2.00 | - |
| 2 | Short Term Advances | 0.34 | 5.44 | - | 0.14 |
| 3 | Advance to Suppliers | 5.90 | 23.43 | - | - |
| | **Total** | **11.06** | **33.33** | **5.99** | **1.54** |

**Note 18: Other Current Assets** Annexure- XX

| Sr No. | Particular | As at September 30, 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Balance with Govt Authorities | 1.95 | 0.99 | - | - |
| | **Total** | **1.95** | **0.99** | - | - |

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**Notes Forming Part Of Restated Financial Statements For The Period Ended**

**Note 19: Revenue From Operations :** Annexure- XXI

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Sale of Products | | - | - | - |
| 2 | Sale of Products | 935.33 | 1,307.69 | 220.65 | 0.44 |
| | **Total** | **935.33** | **1307.69** | **220.65** | **0.44** |

**Note 20: Other Income:** Annexure- XXII

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Discount Received | 0.03 | 0.99 | - | - |
| 2 | Dividend | - | 0.02 | - | - |
| 3 | Foreign Exchange Gain | - | 0.92 | - | - |
| | **Total** | **0.03** | **1.93** | **-** | **-** |

**Note 21:Purchases of Stock in Trade** Annexure- XXIII

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Purchases of Trading Goods | 604.07 | 972.64 | 160.46 | 0.87 |
| 2 | Direct Expense | 2.05 | - | - | - |
| | **Total** | **604.07** | **972.64** | **160.46** | **0.87** |

**Note 22:Change in Inventories** Annexure- XXIV

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Stock In Trade Opening | 43.34 | 3.93 | 0.29 | - |
| 2 | Less : Stock In trade Closing | 76.00 | 43.34 | 3.93 | 0.29 |
| | **Change in Inventories** | **(32.66)** | **(39.41)** | **(3.63)** | **(0.29)** |

**Note 23:Employees Benefit Cost** Annexure- XXV

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Salaries and Wages | 50.67 | 112.80 | 7.75 | 0.17 |
| 2 | Director Remuneration | 36.10 | 3.59 | - | - |
| 3 | Grautity Expenses | 1.14 | 2.63 | 0.43 | - |
| 4 | Staff welfare | 5.38 | 2.23 | - | - |
| | **Total** | **93.29** | **121.25** | **8.18** | **0.17** |

**Note 24: Financial Cost** Annexure- XXVI

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Interest & Finance charges | 18.93 | 14.04 | 0.10 | - |
| | **Total** | **18.93** | **14.04** | **0.10** | **-** |

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**Note 25: Other Expense** Annexure- XXVII

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Commission | 19.11 | 36.47 | 27.21 | - |
| 2 | Rent Expenses | 7.39 | 9.83 | 3.85 | - |
| 3 | Sundry & Office Expenditures | 7.49 | 9.36 | 1.32 | - |
| 4 | Testing Charges | 2.31 | 9.30 | - | - |
| 5 | Professional Fees | 15.89 | 8.53 | 3.53 | 0.25 |
| 6 | Travelling Expenses | 8.67 | 6.83 | 0.63 | - |
| 7 | Frieght Charges | 5.28 | 2.56 | - | - |
| 8 | Vehicle Expenses | 3.60 | 5.94 | 0.22 | - |
| 9 | Transportation Charges | 1.92 | 5.90 | - | - |
| 10 | Custom Duty on Import | 7.05 | 3.97 | - | - |
| 11 | Freight on import | - | 6.29 | - | - |
| 12 | Business Promotions Expenses | 14.59 | 2.13 | 2.22 | - |
| 13 | Website Development Charges | 0.16 | 0.15 | - | - |
| 14 | CFS & Clearing & Forwarding charges | - | 1.53 | - | - |
| 15 | Machine Maintenance Exp | 0.89 | 1.27 | - | - |
| 16 | Discount | - | 1.23 | - | - |
| 17 | Loading and Unloading Charges | 2.47 | 1.16 | - | - |
| 18 | Insurance Expenses | 0.96 | 0.66 | - | - |
| 19 | Donation | 0.27 | 0.60 | - | - |
| 20 | Agency Charges | - | 0.49 | - | |
| 21 | Audit Fees | 2.00 | 1.30 | 0.30 | 0.10 |
| 22 | Electricity Charges | 0.79 | 0.21 | - | - |
| 23 | Labour contractor and material charges | 30.95 | - | - | - |
| 24 | Tools & spare parts and Packing charges | 26.85 | - | - | - |
| 25 | Provision for doubtful debts | 7.66 | - | - | - |
| 26 | Rate and Taxes | - | 0.01 | - | - |
| 27 | Miscellaneous Expenses | 7.00 | 2.42 | 2.04 | 0.22 |
| | **Total** | **173.33** | **118.15** | **41.31** | **0.57** |

**Note 27: Earnings Per Share** Annexure- XXVIII

| Sr No. | Particular | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|---|
| (a) | Net Profit after tax as per Statement of Profit and Loss attributable to shareholders in Rs) | 41.01 | 75.34 | 9.44 | (0.88) |
| (b) | Weighted Average number of Equity Shares used as denominator for calculating basic and diluted EPS (In No's) | 18,43,584 | 31,041 | 10,000 | 10,000 |
| (c) | Basic & Diluted per share (Before bonus) | 64.74 | 242.69 | 94.42 | (8.75) |
| | Basic & Diluted per share (After bonus) | 2.22 | 15.17 | 5.90 | (0.55) |
| (d) | Face value per equity share Rs. | 10.00 | 10.00 | 10.00 | 10.00 |

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**Notes Forming Part Of Restated Financial Statements For The Period Ended** Annexure XIV
**NOTE NO- 12- Property Plant and Equipements**

| Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block Value as at 30/09/2023 |
|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 01/04/2023 | Additions | Disposals/ Adjustments | Balance as at 30/09/2023 | Balance as at 01/04/2023 | Depreciation for the Period | Disposals/ Adjustments | Balance as at 30/09/2023 | |
| **Plant and Machinery** | 98.44 | 34.23 | - | 132.67 | 9.50 | **9.91** | - | 19.41 | 113.26 |
| **Computer** | 4.50 | 1.59 | - | 6.08 | 1.37 | **1.20** | - | 2.57 | 3.52 |
| **Furniture & Fixture** | 0.48 | - | - | 0.48 | 0.01 | **0.06** | - | 0.07 | 0.41 |
| **Motor Vehicle** | 57.04 | 8.48 | - | 65.53 | 12.28 | **-** | - | 12.28 | 53.25 |
| **TOTAL** | **160.46** | **44.30** | **-** | **204.76** | **23.16** | **11.17** | **-** | **34.33** | **170.43** |

| Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block Value as at 31/03/2023 |
|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 01/04/2022 | Additions | Disposals/ Adjustments | Balance as at 31/03/2023 | Balance as at 01/04/2022 | Depreciation for the Year | Disposals/ Adjustments | Balance as at 31/03/2023 | |
| **Plant and Machinery** | 25.60 | 72.84 | - | 98.44 | 0.94 | 8.56 | - | 9.50 | 88.94 |
| **Computer** | 1.85 | 2.65 | - | 4.50 | 0.48 | 0.89 | - | 1.37 | 3.12 |
| **Furniture & Fixture** | - | 0.48 | - | 0.48 | - | 0.01 | - | 0.01 | 0.47 |
| **Motor Vehicle** | 5.29 | 51.76 | - | 57.04 | 0.22 | 12.06 | - | 12.28 | 44.77 |
| **TOTAL** | **32.73** | **127.73** | **-** | **160.46** | **1.65** | **21.51** | **-** | **23.16** | **137.30** |

| Assets | Gross Block | | | | Accumulated Depreciation | | | | Net Block Value as at 31/03/2022 |
|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 01/04/2021 | Additions | Disposals/ Adjustments | Balance as at 31/03/2022 | Balance as at 01/04/2021 | Depreciation for the Year | Disposals/ Adjustments | Balance as at 31/03/2022 | |
| **Plant and Machinery** | - | 25.60 | - | 25.60 | - | 0.94 | - | 0.94 | 24.66 |
| **Computer** | - | 1.85 | - | 1.85 | - | 0.48 | - | 0.48 | 1.36 |
| **Motor Vehicle** | - | 6.03 | 0.74 | 5.29 | - | 0.22 | - | 0.22 | 5.06 |
| **TOTAL** | **-** | **33.48** | **0.74** | **32.73** | **-** | **1.65** | **-** | **1.65** | **31.09** |

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**Notes Forming Integral Part of the Restated Financial Statement :**

Annexure- XXIX

**Note : 6**
**Gratuity Report as per Accounting Standard 15**
**Assets / Liabilities**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Defined Benefit Obligation (Liability) | - | - | - |
| Fair Value of Plan Assets | - | - | - |
| **Funded Status: Surplus / (Deficit)** | **-** | **-** | **-** |

**Employer Expense**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Current Service Cost | 1.17 | 1.66 | 0.43 |
| Total Employer Expense / (Income) | 1.17 | 1.66 | 0.43 |

**Membership data summary**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Number of members considered for valuation | 29.00 | 36.00 | 12.00 |
| Average age (last birthday, in years) | 33.31 | 30.19 | 31.17 |
| Average Monthly salary | 0.25 | 0.21 | 0.18 |
| Total Monthly salary | 7.19 | 750.00 | 211.00 |
| Average Past Service (years) | 1.21 | 0.72 | 0.50 |
| Total Past Service (years) | 26.69 | 29.81 | 28.83 |

**Joiners and Leavers movement during the yearG**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Opening no of Employees | 36 | 12 | - |
| Joined during the year | 25 | 24 | - |
| Left during the year | 32 | - | - |
| Closing No Of Employees | 29 | 36 | 12.00 |

**Scheme Parameters / Details**
**Company Rules**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Normal retirement age (years) | 60 | 60 | - |
| Timing of retirement | *Normal | *Normal | - |
| Salary increment month | April | April | - |

*60 Years, One year is added to the current age and cGonsidered as retirement age, if current age is more tGhan retirement age.

Annexure- XXIX

## Scheme Rules

Benefits on retirement / resignation

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Form of benefit | Same as normal retirement benefit | Same as normal retirement benefit | - |
| Maximum benefit | 20,00,000.00 | 20,00,000.00 | - |
| Minimum benefit | Nil | Nil | - |
| Vesting period | 5 | 5 | - |

### Benefits on death

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Form of benefit | Same as normal retirement benefit except that no vesting condition apply | Same as normal retirement benefit except that no vesting condition apply | - |
| Maximum benefit | 20,00,000.00 | 20,00,000.00 | - |
| Minimum benefit | Nil | Nil | - |
| Vesting period | 5 | 5 | - |

**Key Financial**

**Balance Sheet Summary**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Present Value of Defined Benefit Obligation | 4.21 | 3.07 | 0.43 |
| Fair Value of Plan Assets | - | - | - |
| Funded Status: Surplus / (Deficit) | **(4.21)** | **(3.07)** | **(0.43)** |

**Current and Non-Current Liability**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Current Defined Benefit Obligation Liability | 4.21 | 3.07 | 0.43 |
| Fair Value of Plan Assets | - | - | - |
| Total Defined Benefit Obligation Liability | **4.21** | **3.07** | **0.43** |

**Profit & Loss (P & L) Summary**

| Description | Period ended September 30, 2023 | Year ended 31st March 2023 | Year ended 31st March 2022 |
|---|---|---|---|
| Total Service Cost, of which: | **1.17** | **1.66** | **0.43** |
| Current service Cost | 1.17 | 1.66 | 0.43 |
| Past Service Cost | - | - | - |
| Loss on Settlement | - | - | - |
| Net interest on Net Defined Benefit Liability | **0.12** | **0.03** | **-** |
| Interest on Defined Benefit Obligation | 0.12 | 0.03 | - |
| Interest on Plan Assets | - | - | - |
| Interest on the effect of asset Liability | - | - | - |
| Actuarial loss (profit) on Defined Benefit Obligation, of which: | | 0.00 | - |
| Due to changes in Demographic assumptions | - | - | - |
| Due to changes in financial assumptions | - | - | - |
| Due to plan experience | **(0.14)** | **0.94** | **-** |
| Excess of interest plan assets over expected return | - | - | - |
| Administration expenses | - | - | - |
| Total Employer Expense/ (income) recognised in P&L | 1.14 | 2.63 | 0.43 |

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Annexure- XXX

**Note 27 -Disclosures under Accounting Standards**

**(1) Related party transactions**
The disclosures pertaining to the related parties as required by the Accounting Standard, AS-18 as notified under the Companies (Accounts) Rules, 2014, are indicated below:
Note: Related parties have been identified by the Management.

**A. Key Management Personnel**

| Sr. No. | Name of the Party | Relation |
|---|---|---|
| 1 | Bindi Kunal Mehta | Director |
| 2 | Vedant Mukesh Mehta | Director |
| 3 | Hiral Rushang Gandhi | Chief financial officer |
| 4 | Kishori Jaysingh Sodha | Company Secretary |

**B. Entities in which Directors, Key Management Personnel or their relatives having significant influence.**
[1] KASSEL REALTY PRIVATE LIMITED
[2] JRF POLYMERS LLP
[3] JAHANVI STEEL PRIVATE LIMITED
**C. Relative of key manager personnel**
[1] JAHANVI DOSHI
[2] MUKESH MEHTA
[3] VARSHA MEHTA

**D. Disclosure in respect of transactions with Related Parties**

| Particulars | Nature of Transaction | Period ended September 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|---|
| Bindi Kunal Mehta | Loan Received | - | 32.51 | 9.99 | 1.51 |
| | Loan Repaid | 11.76 | 24.79 | 5.46 | - |
| | Remuneration Paid | 12.40 | - | - | - |
| | Issue of Share Capital | 90.22 | 87.23 | - | 0.63 |
| Vedant Mukesh Mehta | Loan Received | 4.09 | 24.94 | 38.48 | 0.71 |
| | Loan Repaid | 9.88 | 50.72 | 4.62 | - |
| | Issue of Share Capital | 81.95 | 37.59 | - | 0.37 |
| | Remuneration Paid | 12.20 | 3.59 | - | - |
| Jahanvi Steel Pvt Ltd | Sales of Goods | - | 350.98 | - | - |
| | Purchase of Goods | - | 19.13 | - | - |
| Jahanvi Doshi | Issue of Share Capital | 1.43 | 0.60 | - | - |
| Mukesh Mehta | Issue of Share Capital | 0.95 | 0.40 | - | - |
| Varsha Mehta | Remuneration Paid | 11.50 | - | - | - |
| | Issue of Share Capital | 0.95 | 0.40 | - | - |

**E. Disclosure in respect of Outstanding Balances of Related Parties**

| Particulars | Receivable / Payable | As at September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| Bindi Kunal Mehta | Loan Payable | 2.00 | 13.76 | 6.04 | 1.51 |
| | Remuneration payable | 5.40 | - | - | - |
| Vedant Mukesh Mehta | Loan Payable | 3.00 | 8.80 | 34.57 | 0.71 |
| | Remuneration payable | 5.40 | - | - | - |
| Jahanvi Steel Pvt Ltd | Sales of Goods | - | 0.14 | - | - |
| | Purchase of Goods | - | - | - | - |
| Varsha Mehta | Remuneration payable | - | - | - | - |
| | | 5.00 | - | - | - |

**(2) Corporate Social Responsibility (CSR)**

The provision related to Section 135 of the Companies Act, 2013 regarding the Corporate Social Responsibility is not applicable to the Company.
**(3) Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(4)** The Company does not have any assets other than Property, Plant and Equipment, Intangible assets and non-current investments during the year under review.

**(5)** The title deeds all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the company.
**(6)** The Company has not revalued its Property, Plant and Equipment during the year under review.

**(7) Details of Benami Property held**
The Company do not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
**(8) Undisclosed Income**
The Company does not have any transactions that was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Further, there has been no previously unrecorded income and related assets that are required to be properly recorded in the books of account during the concerned financial year.

**(9) Wilful Defaulter**
The Company is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, as at the year end.

**(10)** The Company has not entered into any transaction with the companies Struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the concerned financial year.

**(11) Restated Statement of Accounting Ratios**

| Sr.no. | Ratio | Numerator | Denominator | Period Ended September 30th | 2022-23 | % change in ratio Variance | Reasons for variance of more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current ratio (in times) | Total current assets | Total current liabilities | 1.25 | 1.26 | (0.46) | - |
| 2 | Debt-Equity ratio (in times) | Borrowings | Total equity | 1.19 | 9.12 | (86.92) | - |
| 3 | Debt service coverage ratio (in times) | Net Profit after taxes + Depreciation + Interest | Interest payment + Principal Payments | 2.88 | 5.61 | (48.60) | - |
| 4 | Return on equity ratio (in times) | Profit after tax | Average total equity | 0.18 | 0.68 | (74.07) | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 5 | Inventory turnover ratio (in times) | Revenue from operations | Average Inventory | 15.67 | 55.33 | (71.67) | - |
| 6 | Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 1.78 | 4.53 | (60.67) | - |
| 7 | Trade payables turnover ratio (in times) | Total purchases | Average trade payables | 3.38 | 10.93 | (69.12) | - |
| 8 | Net capital turnover ratio (in times) | Revenue from operations | Average working capital | 7.33 | 9.96 | (26.38) | - |
| 9 | Net profit ratio (in times) | Profit after tax | Revenue from operations | 0.04 | 0.06 | (23.90) | - |
| 10 | Return on capital employed (in times) | Profit before tax | Capital employed = Net Worth+Total Debt | 0.12 | 0.45 | (73.08) | - |

**Note:**

Reasons of variance of more than 25% in above ratios cannot be explained as period of 6 months i.e FY 2023-24 cannot be compared with period of one year i.e FY 2022-23

| Sr.no. | Ratio | Numerator | Denominator | 2022-23 | 2021-22 | % change in ratio Variance | Reasons for variance of more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current ratio (in times) | Total current assets | Total current liabilities | 1.26 | 1.41 | (10.68) | NA |
| 2 | Debt-Equity ratio (in times) | Borrowings | Total equity | 9.12 | 4.34 | 110.21 | Decreased due to increase in share capital during the year via bonus issue |
| 3 | Debt service coverage ratio (in times) | Net Profit after taxes + Depreciation + Interest | Interest payment + Principal Payments | 5.61 | 66.50 | (91.56) | Decreased due to increase in share capital during the year via bonus issue |
| 4 | Return on equity ratio (in times) | Profit after tax | Average total equity | 0.68 | 1.95 | (65.15) | Decreased due to increase in share capital during the year via bonus issue |
| 5 | Inventory turnover ratio (in times) | Cost of Sales | Average Inventory | 55.33 | 104.56 | (47.09) | Decreased due to increase in equity |
| 6 | Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 4.53 | 9.00 | (49.66) | Decrease due to increase in revenue |
| 7 | Trade payables turnover ratio (in times) | Net Credit Purchases | Average trade payables | 10.93 | 20.89 | (47.69) | Decrease due to increase in purchase |
| 8 | Net capital turnover ratio (in times) | Revenue from operations | Average working capital | 9.96 | 11.06 | (9.93) | NA |
| 9 | Net profit ratio (in times) | Profit after tax | Revenue from operations | 0.06 | 0.04 | 34.64 | Increase in revenue |
| 10 | Return on capital employed (in times) | Profit before tax | Capital employed = Net Worth+Total Debt | 0.45 | 0.22 | 103.80 | NA |

| Sr.no. | Ratio | Numerator | Denominator | 2021-22 | 2020-21 | % change in ratio Variance | Reasons for variance of more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current ratio (in times) | Total current assets | Total current liabilities | 1.41 | 4.49 | (68.70) | The operations of the company majorly started in the year 2021-22 due to which there are major variances in comparison to FY 2021, there is no specific reason for each ratio as in PY 2020-21 the operations of the company (Revenue generation) was just started and major revenue generation started in the year 2021-22. |
| 2 | Debt-Equity ratio (in times) | Borrowings | Total equity | 4.97 | 18.54 | (73.21) | |
| 3 | Debt service coverage ratio (in times) | Net Profit after taxes + Depreciation + Interest | Interest payment + Principal Payments | 66.50 | - | - | |
| 4 | Return on equity ratio (in times) | Profit after tax | Average total equity | 1.95 | (14.60) | (113.36) | |
| 5 | Inventory turnover ratio (in times) | Cost of Sales | Average Inventory | 104.56 | 3.03 | 3,350.04 | |
| 6 | Trade receivables turnover ratio (in times) | Revenue from operations | Average trade receivables | 9.00 | 0.02 | 49,611.69 | |
| 7 | Trade payables turnover ratio (in times) | Net Credit Purchases | Average trade payables | 20.89 | 2.72 | 669.27 | |
| 8 | Net capital turnover ratio (in times) | Revenue from operations | Average working capital | 11.06 | 0.19 | 5,746.31 | |
| 9 | Net profit ratio (in times) | Profit after tax | Revenue from operations | 0.04 | (1.97) | (102.17) | |
| 10 | Return on capital employed (in times) | Profit before tax | Capital employed = Net Worth+Total Debt | 0.22 | (0.37) | (159.10) | |

**(12) Compliance with number of layers of companies**

The company does not have any subsidiaries as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**(13) Compliance with approved Scheme(s) of Arrangements**

There has been no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

**(14) Utilisation of Borrowed funds and share premium**

(A) TFhe Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities

(B) TFhe Company has not received funds from foreign entities (Funding Party), where there is any understanding with intermediary for lending, investing or providing guarantee or security on behalf of the ultimate beneficiary.

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**All Amounts In Lakhs, Unless Otherwise Stated**
**Notes Forming Part Of Restated Financial Statements For The Period Ended**

Annexure- XXX

**(15)** Balances with respect to trade receivable and trade payables are subject to confirmation,reconciliation and consequential adjustments, If Any.

**Note 28:**

**Earnings Per Share (EPS)( After Bonus Issue)**

| Sr. No. | Particulars | Period ended September 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|---|
| | | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| A | Net Profit for the year attributable to equity shareholders (After Tax) | 41.01 | 75.34 | 09.44 | (00.88) |
| B | Outstanding No of Equity Shares | 18,43,584 | 63,334 | 10,000 | 10,000 |
| C | Weighted average No. of Equity Shares (Pre Bonus) | 63,334 | 31,041 | 10,000 | 10,000 |
| D | Weighted average No. of Equity Shares (Post Bonus) | 18,43,584 | 4,96,662 | 1,60,000 | 1,60,000 |
| E | Basic Earnings per share (A/C) (Amt in Rs.) (Pre Bonus) | 64.74 | 242.69 | 94.42 | (8.75) |
| F | Basic Earnings per share (A/D) (Amt in Rs.) (Post Bonus) | 2.22 | 15.17 | 5.90 | (0.55) |
| G | Nominal Value Per Share | 10.00 | 10.00 | 10.00 | 10.00 |

**(16)** Previous year's figures have been regrouped and rearranged wherever necessary to correspond with the current year's classification/ disclosure.

**For Maheshwari & Co.**
Chartered Accountants
Firm Reg. No. 105834W

Sd/-
**Vikas Asawa**
(Partner)
(Membership No.172133)

Place: Mumbai
Date: February 23, 2024

**For and on behalf of the Board of Directors of**
**VRUDDHI ENGINEERING WORKS LIMITED**

Sd/-
**Bindi Kunal Mehta**
(Managing Director)
(DIN: 08936998)

Sd/-
**Vedant Mukesh Mehta**
(Director)
(DIN: 08936999)

Sd/-
**Hiral Rushang Gandhi**
(Chief financial officer)
(Pan No. JCSPS5825L)

Sd/-
**Kishori Jaysingh Sodha**
(Company Secretary)
(Membership No.ACS 41799)

Place: Mumbai
Date: February 23, 2024

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)** Annexure- XXXI
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**Statement Of Capitalisation**

| PARTICULARS | Pre-offer as at September 30, 2023 | Post-Offer |
|---|---|---|
| **Debt** | | |
| Short term Debt | 271.26 | - |
| Long Term Debt | 30.65 | - |
| **Total Debt** | **301.90** | **-** |
| **Shareholders' funds** | | |
| Share capital | 184.36 | - |
| Reserves and surplus, as restated: | 68.77 | - |
| Total shareholders' funds | **253.13** | |
| Long term debt/ equity | 0.12 | - |
| Total Debt/ equity | 1.19 | - |

**Notes:-**

1. Short Term Debts represent which are expected to be paid/payable within 12 months and include installments of Term Loans repayable within 12 months.

2. Long Term Debts represent debts other than Short Term Debts as defined above .

3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30/09/2023

4. The post issue capitalization will be determined only after the completion of the allotment of Equity Shares.

**VRUDDHI ENGINEERING WORKS LIMITED**

**(Formerly Known As Vruddhi Steel Limited)**

**(CIN-U28246MH2020PLC348853)** Annexure- XXXII

**All Amounts In Lakhs, Unless Otherwise Stated**

**Restated Statements Of Tax Shelter**

| Particulars | As at September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| Net Profit/(Loss) before taxes (A) | 67.23 | 101.45 | 12.60 | (0.88) |
| Tax Rate Applicable % | 25.17% | 25.17% | 25.17% | 25.17% |
| Minimum Alternate Taxes (MAT) | 15.60% | 15.60% | 15.60% | 15.60% |
| **Adjustments** | | | | |
| Add: Depreciation as per Companies act | 11.17 | - | 1.65 | - |
| Add: Disallowance under Income Tax Act, 1961 | 8.87 | - | - | - |
| Less: Depreciation as per Income Tax Act, 1961 | (21.72) | (25.91) | (3.38) | |
| Less: Deductions under Income Tax Act, 1961 | - | - | - | |
| Less : Deffered Tax Credit Adjusted for computation of Tax under | | - | - | - |
| **ADD:- Inadmissible expenses & Income not included** | | | | |
| Section:-37 disallowance | | - | | |
| Section:-43B disallowance | | - | - | - |
| Section:-40 disallowance | | - | - | - |
| Section:-36 disallowance | | - | - | - |
| Less: Deductible expenditure & income to be excluded | | - | - | - |
| **Net Adjustments(B)** | **(1.69)** | **(25.91)** | **(1.73)** | **-** |
| **Business Income (A+B)** | **65.55** | **75.54** | **10.87** | **(0.88)** |
| **Income from Capital Gains** | | | | |
| Long term Capital Gains: | | | | |
| Full Value of considerations | | | | - |
| Less: Deduction u/s 48 | | | | - |
| **Long Term Capital Gain on assets** | | | | - |
| **Income from House Property** | | | | |
| Gross rent received or receivable or lettable value | | - | | |
| Less: Tax paid to local authorities | | - | - | - |
| Annual value | | - | - | - |
| Less: Deduction u/s 24(a) @ **30%** | | - | - | - |
| **Income from House Property** | | - | - | - |
| **Income from Other Source** | | | | |
| Interest on Income Tax Refund | | - | | - |
| Interest on security Deposit | | | | - |
| Damages and claims received | | | | - |
| Gross Total/ Taxable Income | 65.55 | 75.54 | 10.87 | (0.88) |
| Less: Deductions U/S 80 | - | - | - | - |
| **Net Total/ Taxable Income** | **65.55** | **75.54** | **10.87** | **(0.88)** |
| Unabsorbed Depreciation | - | - | - | - |
| Less: setoff of losses | - | - | (0.88) | |
| **Net Total/ Taxable Income** | 65.55 | 75.54 | 9.99 | (0.88) |
| Tax Payable as per Normal Rate | 16.50 | 24.97 | 2.62 | - |
| Interest payable on above | | - | | - |
| **Tax as per Income Tax (C)** | 16.50 | 24.97 | 2.62 | - |
| **Interest For default in furnishing the return (section 234A)** | - | - | - | - |
| **Interest For default in payment of advance tax (section 234B)** | - | - | - | - |
| **Interest For deferment of advance tax (section 234C)** | - | - | 0.09 | - |
| **Total Interest and Fee Payable** | - | - | 0.09 | - |

**VRUDDHI ENGINEERING WORKS LIMITED**

**(Formerly Known As Vruddhi Steel Limited)**

**(CIN-U28246MH2020PLC348853)** Annexure- XXXII

**All Amounts In Lakhs, Unless Otherwise Stated**

**Restated Statements Of Tax Shelter**

| Particulars | As at September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Aggregate liability** | 16.50 | 24.97 | 2.72 | - |
| Advance Tax | | (14.54) | (2.25) | - |
| Tax Deducted at Source | (3.65) | - | (0.34) | - |
| Tax collection at source | (0.34) | - | (0.34) | - |
| Tax Deposited u/s 140A | - | - | (0.12) | - |
| Interest u/s 244A on refund | - | - | - | - |
| Self Assessment | - | - | - | - |
| **(Refund Due)/Payable** | 12.50 | 10.42 | (0.34) | - |
| Adjusted Book Profits for Computation of MAT U/s 115JB | - | - | - | - |
| Tax Payable as per Minimum Alternate Tax U/S 115 JB of the Income Tax Act,1961 | - | - | - | - |
| Amount of Tax against Which Credit Available | - | - | - | - |
| **Tax as per MAT (D)** | - | - | - | - |
| **Net Tax (Higher of C & D)** | **16.50** | **24.97** | **2.62** | **-** |

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**(All Amounts Rs. In Lakhs, Unless Otherwise Stated)**
**OTHER FINANCIAL INFORMATION**

Annexure- XXXIII

| Particulars | As at September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Net Worth (A)** | 253.13 | 212.12 | 9.56 | 0.12 |
| Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) | 97.30 | 135.07 | 14.34 | (0.88) |
| Restated Profit after tax | 41.01 | 75.34 | 9.44 | (0.88) |
| Add: Prior Period Item | - | - | - | - |
| Adjusted Profit after Tax **(B)** | 41.01 | 75.34 | 9.44 | (0.88) |
| Number of Equity Share outstanding as on the End of Year / Period **(C)** | 18,43,584.00 | 63,334.00 | 10,000 | 10,000 |
| Weighted average no of Equity shares as on the end of the period **(D)** | | | | |
| Before bonus **(D(i))** | 63334 | 31,041.36 | 10,000 | 10,000 |
| After bonus **(D(ii))** | 1843584 | 4,96,662 | 1,60,000 | 1,60,000 |
| Face Value per Share | 10.00 | 10.00 | 10.00 | 10.00 |
| Restated Basic & Diluted Earnings Per Share (Before bonus) (Rs.) **(B/D(i))** | 64.74 | 242.69 | 94.42 | (8.80) |
| Restated Basic & Diluted Earnings Per Share (After bonus) (Rs.) **(B/D(ii))** | 2.22 | 15.17 | 5.90 | (0.55) |
| Return on Net worth (%) **(B/A)** | 16.20% | 35.52% | 98.74% | (733.33%) |
| Net asset value per share **(A/D.1(i))(Before bonus)** | 399.67 | 683.34 | 95.62 | 1.20 |
| Net asset value per share **(A/D.1(ii)) (After bonus)** | 13.73 | 42.71 | 5.98 | 0.08 |

Notes:-
1. The ratios have been Computed as per the following formulas
**(i) Basic Earnings per Share**

$$\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$

**(ii) Net Asset Value (NAV) per Equity Share**

$$\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

**(iii) Return on Net worth (%)**

$$\frac{\text{Profit after Tax available to equity shareholders}}{\text{Net Worth of Equity Share Holders}}$$

2. EBITDA represents Earnings (or Profit/ (Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses and Other Income. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.
3. Net Profit as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.
4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.

5. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period 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 period. the Weighted average number share has impact After Issue of Bonus share.

**VRUDDHI ENGINEERING WORKS LIMITED**
**(Formerly Known As Vruddhi Steel Limited)**
**(CIN-U28246MH2020PLC348853)**
**All Amounts In Lakhs, Unless Otherwise Stated**
**Restated Statement of Adjustments to Audited Financial Statements**
**(i) Reconciliation of Restated Profit:**
The reconciliation of Profit after tax as per audited financial statements and the Profit after tax as per Restated financial statements is presented below. This

Annexure- XXXIV

| Particulars | Period ended September 30, 2023 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended 31st March 2021 |
|---|---|---|---|---|
| **Profit after tax as per audited/ re-audited financial statements** | 41.01 | 75.33 | 9.44 | (0.88) |
| **(i) Adjustments on account of change in accounting policies:** | - | - | - | |
| **(ii) Other material adjustments:** | - | - | - | - |
| Deferred tax - current year | - | 26.11 | 3.16 | 0.00 |
| Short/Excess Provision for Tax | - | - | - | - |
| Gratutiy Provision | | | | |
| **Restated profit after tax** | **41.01** | **101.44** | **12.60** | **(0.88)** |

**(ii) Reconciliation of Restated Shareholder's funds:**

| Particulars | Period ended September 30, 2023 | As at March 31, 2023 | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Shareholder's funds as per Audited/ Re-audited financial statements** | **253.13** | **212.12** | **9.99** | **0.12** |
| **(ii) Differences carrired over pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial** | - | - | (0.43) | 0.00 |
| **Restated Shareholder's funds** | **253.13** | **212.12** | **9.56** | **0.12** |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial position and results of operations are based on our Restated Financial Statements for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022, and for the Financial Year ended March 31, 2021, and for the six months period ended September 30, 2023 including the related notes and reports, included in this Red Herring Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus. It is urged that you consult your advisors regarding such differences and their impact on our Company's financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under **"*Risk Factors*" and "*Forward-Looking Statements*"** beginning on pages **27** and **18**, respectively, and elsewhere in this Red Herring Prospectus.

In this chapter, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Vruddhi Engineering Works Limited, our Company. Unless otherwise indicated, financial information included herein are based on our ***"Restated Financial Statements"*** for the period ended September 30, 2023, for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021 beginning on page **141** of this Red Herring Prospectus.

### BUSINESS OVERVIEW

Our Company is mainly engaged in offering mechanical splicing solutions to the real estate, construction and infrastructure industry by designing, engineering and supplying of rebar couplers. Our Company's offering under this vertical includes (a) supply of rebar couplers as per our customer needs; (b) on-site threading services of the couplers; and (c) trading in threading machines and spares. Our Company believes that it offers an end-to-end mechanical splicing solutions ranging from design, manufacturing, testing, logistics and rebar threading. We believe that the rebar couplers offered by our Company is an alternative to the conventional splicing methods followed in the construction industry.

For further details, please refer to the chapter titled **"*Business Overview*"** beginning on page **96** of this Red Herring Prospectus.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

**Except as mentioned in the Red Herring Prospectus, there are no significant developments subsequent to the date of last financial period i.e., September 30, 2023.**

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the chapter titled **"*Risk Factors*"** beginning on page **27** of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our business largely depends upon our top ten customers, and the loss of such customers or a significant reduction in purchases by such customers will have a material adverse impact on our business
- Our business and financial performance is particularly based on market demand and supply of our products;
- Competition from existing and new companies may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;

- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- The performance of the financial markets in India and globally;
- Market fluctuations and industry dynamics beyond our control;

**SIGNIFICANT ACCOUNTING POLICIES**

For further details, please refer to the chapter titled **"*Restated Financial Statements*"** beginning on page **141** of this Red Herring Prospectus.

**KEY PERFORMANCE INDICATORS**

Set forth below is certain financial information and certain KPIs of our business.

***(₹ in lakhs)***

| Particulars | As on September 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|---|---|---|---|
| Revenue from Operations (1) | 935.33 | 1,307.69 | 220.65 | 0.44 |
| Growth in Revenue from Operations(2) | NA | 492.65% | 49,611.69% | NA |
| EBITDA (3) | 97.30 | 135.06 | 14.35 | (0.88) |
| EBITDA Margin (4) | 10.40% | 10.33% | 6.50% | (198.26%) |
| Restated Profit After Tax for the Year | 41.01 | 75.33 | 9.44 | (0.88) |
| PAT Margin (5) | 4.38% | 5.76% | 4.28% | (197.20%) |
| Net Worth(6) | 253.13 | 212.12 | 9.56 | 0.12 |
| Capital Employed | 554.74 | 535.06 | 57.06 | 2.34 |
| ROE% (7) | 16.20% | 35.51% | 98.76% | (701.86%) |
| ROCE% (8) | 15.53% | 29.24% | 28.05% | (37.61%) |

*Notes:*

1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income
4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
5) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
7) Return on Equity is ratio of Profit after Tax and average Shareholder Equity
8) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

*Explanation of 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 |
| Growth in Revenue from Operations | Growth in Revenue from Operations provides information regarding the growth of our business for respective periods |

| | |
|---|---|
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| Net worth | Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity. |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders 'funds. |
| RoCE% | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |

**DISCUSSION ON RESULTS OF OPERATIONS**

The following table sets forth financial data from our restated financial statements of profit & loss for the period ended September 30, 2023, for the Financial Year ended March 31, 2023, for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021, the components of which are also expressed as a percentage of total revenue for such periods:

*(₹ in lakhs)*

| Particulars | For the six months period ended on September 30, 2023 | | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | March 31, 2023 | | March 31, 2022 | | March 31, 2021** | |
| | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* |
| **(A) REVENUE** | | | | | | | | |
| Revenue from Operations | 935.33 | 100.00% | 1,307.69 | 99.85% | 220.65 | 100.00% | 0.44 | 100.00% |
| Other Income | 0.03 | - | 1.93 | 0.15% | - | - | - | - |
| **Total Revenue** | **935.36** | **100.00%** | **1,309.62** | **100.00%** | **220.65** | **100.00%** | **0.44** | **100.00%** |
| **(B) EXPENDITURE** | | | | | | | | |
| Purchase of stock in Trade | 604.07 | 64.58% | 972.64 | 74.27% | 160.46 | 72.72% | 0.87 | 196.79% |
| Changes in Inventories of Traded Goods | (32.66) | (3.49%) | (39.41) | (3.01)% | (3.63) | (1.65%) | (0.29) | (65.99)% |
| Employee Benefit Expenses | 93.29 | 9.97% | 121.26 | 9.26% | 8.18 | 3.71% | 0.17 | 37.17% |
| Finance Costs | 18.93 | 2.02% | 14.04 | 1.07% | 0.10 | 0.04% | - | - |
| Depreciation and Amortisation Expense | 11.17 | 1.19% | 21.51 | 1.64% | 1.65 | 0.75% | - | - |
| Other Expenses | 173.33 | 18.53% | 118.15 | 9.02% | 41.31 | 18.72% | 0.57 | 128.83% |
| **Total Expenses** | **868.12** | **92.81%** | **1,202.31** | **92.32%** | **208.05** | **94.29%** | **1.32** | **297.20%** |
| **Profit / (Loss) Before Tax** | **67.23** | **7.19%** | **101.44** | **7.75%** | **12.60** | **5.71%** | **(0.88)** | **(197.20)%** |
| Less: Tax Expense | | | | | | | | |
| (1) Current tax | 16.50 | 1.76% | 24.97 | 1.91% | 2.72 | 1.23% | - | - |
| (2) Deferred tax | 7.75 | 0.83% | 1.14 | 0.09% | 0.44 | 0.20% | - | - |
| **Total Tax Expense** | **24.25** | | **26.11** | **1.99%** | **3.16** | **1.43%** | **-** | **-** |
| Profit / (Loss) for the year | **42.98** | **4.60%** | **74.46** | **5.75%** | **9.44** | **4.28%** | **(0.88)** | **(197.20)%** |

**(%) column represents percentage of total revenue from operations.*

**Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements**

**Income**

Our total income comprises of revenue from operations and other income.

**Revenue from operations**

Our primary revenue is from the sale of products.

**Other income**

Other income includes discount received, Dividend and Foreign Exchange Gain.

**Expenditure**

Our total expenditure primarily consists of the purchase of stock in trade, changes in inventories of traded goods, employee benefit expenses, finance cost, depreciation and amortization expense and other expenses.

**Purchase of stock in trade**

Purchase of stock in trade comprises of the Purchases of Trading Goods.

**Changes in inventories of Traded Goods**

Changes in inventories of traded goods consists of (i) opening stock in trade; and (ii) closing stock in trade, making up the change in inventories of traded goods**.**

**Employee benefit expenses**

Employee benefit expenses comprises of salaries and wages and staff welfare.

**Finance costs**

Finance cost includes interest & finance charges.

**Depreciation and amortization cost**

Depreciation Expenses consist of depreciation on plant & machinery, computer, furniture & fixture and motor vehicle.

**Other expenses**

Other expenses includes contractor fees, commission, rent expenses, sundry & office expenditures, testing charges, professional fees, travelling expenses, freight charges, vehicle expenses, transportation charges, custom duty on import, freight on import, business promotions expenses, website development charges, clearing & forwarding charges, machine maintenance expenses, discount, loading and unloading charges, miscellaneous expenses, insurance expenses, donation, agency charges, audit fees, electricty charges and rate and taxes.

**Tax Expenses**

Tax Expenses comprises of current tax and deferred tax.

**FOR THE SIX MONTHS PERIOD ENDED ON SEPTEMBER 30, 2023**

**Income:**

**Total Revenue**

Our total revenue amounted to ₹ 935.36 lakhs for the six months period ended September 30, 2023 which is on account of revenue from operations and other income as described below:

**Revenue from Operations**

Our revenue from operations for the six months period ended September 30, 2023 was ₹ 935.33 Lakhs which is 100% of the total revenue which comes from sale of services and sale of traded products. Revenue bifurcation comprises of sale of services was ₹ 915.60 Lakhs which is about 97.89% of the total revenue and sale of traded product contribute ₹ 19.73 Lakhs which is about 2.11% of the total revenue.

**Other Income**

Our other income for the six months period ended September 30, 2023 was ₹ 0.03 Lakhs which forms a negligible part of total revenue.

**Expenditure:**

**Purchase of stock-in-trade**

Our purchase of stock-in-trade for the six months period ended September 30, 2023 was ₹ 604.07 Lakhs, which constituted 64.58% of the total revenue comprising majorly of purchases of trading goods.

**Change in Inventories**

Our Inventory for the Six months period ended September 30, 2023 was ₹ (32.66) Lakhs which constitute opening stock of ₹ 43.34 Lakhs and whereas our closing stock was ₹ 76 Lakhs.

**Employee Benefits Expenses**

The employee benefits expenses for the nine months period ended September 30, 2023 is ₹ 93.29 Lakhs which is about 9.97 % of the total revenue.

**Finance Cost**

Financial costs for the six months period ended September 30, 2023 is ₹ 18.93 Lakhs which is about 2.02% of the total revenue.

**Depreciation and Amortization Expenses**

Depreciation for the six months period ended September 30, 2023 is ₹ 11.17 Lakhs which is about 1.19% of the total revenue.

**Other Expenses**

Other Expenses for the six months period ended September 30, 2023 is ₹ 173.33 Lakhs which is about 18.53 % of the total revenue.

**Tax expense**

Our total tax expenses for the six months period ended September 30, 2023 was ₹ 173.33 Lakhs.

Our tax expenses comprised (i) current tax amounting to ₹ 16.50 Lakhs, and (ii) deferred tax charge amounting to ₹ 9.73 Lakhs.

**Profit after Tax**

Profit after tax for the six months period ended September 30, 2023 is ₹ 41.01 Lakhs which is about 4.38% of the total revenue.

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022**

**Total revenue**

Our total revenue increased by 493.53% from ₹ 220.65 lakhs for the Financial Year ended March 31, 2022 to ₹ 1,309.62 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to an increase in revenue from operations and other income.

**Revenue from operations**

Our revenue from operation increased by 492.65% from ₹ 220.65 lakhs for the Financial Year ended March 31, 2022 to ₹ 1,307.69 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to acquisition of M/s. Kosmo Ventures, proprietary concern of our Promoter and due to business growth.

**Other income**

Our other income increased by 1.93 lakhs from ₹ Nil for the Financial Year ended March 31, 2022 to ₹ 1.93 lakhs for the Financial Year ended March 31, 2023, primarily due to discount received, dividend income & foreign exchange gain.

**Expenditure**

**Purchase of stock in trade.**

Purchase of stock in trade increased by 506.17% from ₹ 160.46 lakhs for the Financial Year ended March 31, 2022 to ₹ 972.64 lakhs for the Financial Year ended March 31, 2023. This increase was in line with the growth in our total revenue (493.53%).

**Changes in inventories of traded goods**

Changes in inventories of traded goods for the Financial Year ended March 31, 2023 was ₹ (39.41) lakhs as compared to ₹ (3.63) lakhs for the Financial Year ended March 31, 2022. The reason of such rise is mainly because the Company maintaining safety inventory levels in order to duly meet its present and future business demands.

**Employee benefit expense:**

The employee benefits expense increased by 1,382.38% to ₹ 121.26 lakhs for the Financial Year ended March 31, 2023 from ₹ 8.18 lakhs for the Financial Year ended March 31, 2022 primarily due to increase in salaries and wages and staff welfare. This increase was primarily due to increase in salaries & wages on account of new hirings in Financial 2023 in line with our business growth.

**Finance cost**

The finance costs increased by 14,192.57% to ₹ 14.04 lakhs for the Financial Year ended March 31, 2023 from ₹ 0.10 for the Financial Year ended March 31, 2022, primarily due to increase in bank loans.

**Depreciation and amortization expenses**

Our depreciation and amortization expense increased by 1,206.72% to ₹ 21.51 lakhs for the Financial Year ended March 31, 2023 from ₹ 1.65 lakhs for the Financial Year ended March 31, 2022, due to addition in fixed assets during the Financial Year ended March 31, 2023.

**Other Expenses**

Our other expenses were increased by 186.02% to ₹ 118.15 lakhs for the Financial Year ended March 31, 2023 from ₹ 41.31 lakhs for the Financial Year ended March 31, 2022, primarily due to increase in the following expenses:

*(₹ in lakhs)*

| Particulars | March 31, 2023 | March 31, 2022 | Change in value |
|---|---|---|---|
| Commission | 36.47 | 27.21 | 9.26 |
| Rent Expenses | 9.83 | 3.85 | 5.98 |
| Sundry & Office Expenditures | 9.36 | 1.32 | 8.04 |
| Testing Charges | 9.30 | - | 9.30 |
| Professional Fees | 8.53 | 3.53 | 5.00 |
| Travelling Expenses | 6.83 | 0.63 | 6.20 |
| Frieght Charges | 2.56 | - | 2.56 |
| Vehicle Expenses | 5.94 | 0.22 | 5.72 |
| Transportation Charges | 5.90 | 0.74 | 5.16 |
| Custom Duty on Import | 3.97 | - | 3.97 |
| Freight on Import | 6.29 | - | 6.29 |
| Website Development Charges | 0.15 | - | 0.15 |
| CFS and Clearing & Forwarding Charges | 1.53 | - | 1.53 |
| Machine Maintenance Exp | 1.27 | - | 1.27 |
| Discount | 1.23 | - | 1.23 |
| Loading and Unloading Charges | 1.16 | - | 1.16 |
| Insurance Expenses | 0.66 | - | 0.66 |
| Donation | 0.60 | - | 0.60 |
| Agency Charges | 0.49 | - | 0.49 |
| Audit Fees | 1.30 | 0.30 | 1.00 |
| Electricty Charges | 0.21 | - | 0.21 |
| Rate and Taxes | 0.01 | - | 0.01 |

**Tax expenses**

Our tax expenses increased to ₹ 26.11 lakhs for the Financial Year ended March 31, 2023 from ₹ 3.16 lakhs for the Financial Year ended March 31, 2022, due to an increase in current taxes on account of profit generated by the Company and increase in deferred tax.

**Profit after tax**

For the various reasons discussed above, we recorded a profit after tax of ₹ 75.33 lakhs for the Financial Year ended March 31, 2023 from a profit of ₹ 9.44 lakhs for the Financial Year ended March 31, 2022.

**COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021***

**Total revenue**

Our total revenue was increased by 49,611.69% to ₹ 220.65 lakhs for the Financial Year ended March 31, 2022 from ₹ 0.44 lakhs for the Financial Year ended March 31, 2021. This increase was primarily due to an increase in revenue from operations.

**Revenue from operations**

Our revenue from operations increased by 49,611.69% to ₹ 220.65 lakhs for the Financial Year ended March 31, 2022 from ₹ 0.44 lakhs for the Financial Year ended March 31, 2021 primarily due to increase in activities of the Company as Financial Year 2020-21 was our first year and comprises of appx. 5 months of operations from the date of incorporation.

**Other income**

Our other income remained nil for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021.

**Expenditure**

**Purchase of stock in trade.**

Purchase of stock in trade increased by 18,269.83% from ₹ 0.87 lakhs for the Financial Year ended March 31, 2021 to ₹ 160.46 lakhs for the Financial Year ended March 31, 2022. This increase was in line with the growth in our total revenue (49,611.69%).

**Changes in inventories of traded goods**

Changes in inventories of traded goods for the Financial Year ended March 31, 2022 was ₹ (3.63) lakhs as compared to ₹ (0.29) lakhs for the Financial Year ended March 31, 2021. The reason of such rise is mainly because the Company maintaining safety inventory levels in order to duly meet its present and future business demands.

**Employee benefit expense:**

The employee benefits expense increased by 4,857.58% to ₹ 8.18 lakhs for the Financial Year ended March 31, 2022 from ₹ 0.17 lakhs for the Financial Year ended March 31, 2021 primarily due to increase in number of employees and their salary and wages and staff welfare.

**Finance cost**

The finance costs were ₹ 0.10 lakhs for the Financial Year ended March 31, 2022.

**Depreciation and amortization expenses**

Our depreciation and amortization expense increased to ₹ 1.65 lakhs for the Financial Year ended March 31, 2022 from ₹ Nil for the Financial Year ended March 31, 2021, due to addition in fixed assets during the Financial Year ended March 31, 2022.

**Other expenses**

Our other expenses were increased by 7,124.03% to ₹ 41.31 lakhs for the Financial Year ended March 31, 2022 from ₹ 0.57 lakhs for the Financial Year ended March 31, 2021, primarily due to increase in the following expenses:

(₹ in lakhs)

| Particulars | March 31, 2022 | March 31, 2021 | Change in value |
|---|---|---|---|
| Contractor Fees | 2.96 | - | 2.96 |
| Commission | 27.21 | - | 27.21 |
| Rent Expenses | 3.85 | - | 3.85 |
| Sundry & Office Expenditures | 1.32 | - | 1.32 |
| Professional Fees | 3.53 | 0.25 | 3.28 |
| Travelling Expenses | 0.63 | - | 0.63 |
| Vehicle Expenses | 0.22 | - | 0.22 |
| Transportation Charges | 0.74 | - | 0.74 |
| Business Promotions Expenses | 2.22 | - | 2.22 |
| Miscellaneous Expenses | 3.05 | 0.22 | 2.83 |
| Audit Fees | 0.30 | 0.10 | 0.20 |

**Tax expenses**

Our tax expenses increased to ₹ 3.16 lakhs for the Financial Year ended March 31, 2022 from ₹ Nil for the Financial Year ended March 31, 2021, due to an increase in current taxes on account of profit generated by the Company and increase in deferred tax.

**Profit after tax**

For the various reasons discussed above, we recorded a profit after tax of ₹ 9.44 lakhs for the Financial Year ended March 31, 2022 from a loss of ₹ (0.88) lakhs for the Financial Year ended March 31, 2021.

**Information required as per item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**1. Unusual or infrequent events or transactions**

Except acquisition of M/s. Kosmo Ventures and to our knowledge, there have been no unusual or infrequent

events or transactions that have taken place during the last three (3) years or may in the future affect our business operations or future financial performance.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the Chapter entitled ***"Risk Factors"*** beginning on page **27** of this Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors that we expect to bring about significant economic changes.

**3. Income and Sales on account of major product/main activities**

Income and Sales of our Company on account of main activities derives from the sale of our traded goods and other operating income.

**4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

**5. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations.**

Apart from the risks as disclosed under the chapter titled **"*Risk Factors*"** beginning on page **27** of this Red Herring Prospectus, in our opinion, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**6. Future changes in relationship between costs and revenues**

Other than as described in the chapters "***Risk Factors***", "***Business Overview***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page **27**, **96** and **170** respectively, including the disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**7. Extent to which material increases in net sales or revenue are due to an growth of business**

Increases in revenues are by and large linked to increases in volume of business.

**8. Status of any publicly announced new products or business segment.**

Other than as disclosed in the chapter titled **"*Business Overview*"** beginning on page **96** of this Red Herring Prospectus, as on the date of the Draft Red Herring Prospectus, there are no new products or business segments that have had or are expected to have a material impact on our business prospects, results of operations or financial condition.

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal in nature but is cyclical in nature

**10. Any significant dependence on a single or few suppliers or customers.**

Significant proportion of our revenues have historically been derived from a limited number of customers. The % contribution of our Company customer and supplier vis a vis the revenue from operations and purchase of traded goods, respectively and for the period ended September 30, 2023, for the financial year ended March 31, 2023, for the financial year ended March 31, 2022 and for the financial year ended March 31, 2021 are tabulated as follows:

| Name of Products | As at September 30, 2023 | | Fiscal 2023 | | Fiscal 2022 | | Fiscal 2021 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ in lakhs) | As a % to revenue from operations | Amount (₹ in lakhs) | As a % to revenue from operations | Amount (₹ in lakhs) | As a % to revenue from operations | Amount (₹ in lakhs) | As a % to revenue from operations |
| Top 10 customer | 891.08 | 95.27% | 990.58 | 75.75% | 189.32 | 85.80% | 0.44 | 100.00% |
| Top 10 suppliers | 582.82 | 65.03% | 817.27 | 84.03% | 143.57 | 89.47% | 0.87 | 100.00% |

**As certified by M/s Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated March 16, 2024.*

**11. Competitive conditions.**

Competitive conditions are as described under the chapter titled **"*Industry Overview*"** and **"*Business Overview*"** beginning on pages **84** and **96**, respectively of this Red Herring Prospectus.

**MATERIAL DEVELOPMENTS SUBSEQUENT TO SEPTEMBER 30, 2023**

Except as disclosed in this Red Herring Prospectus, there are no significant developments or circumstances that have arisen since September 30, 2023, the date of the last financial statements included in this Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

## FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from various banks for conducting its business.

Set forth below is a brief summary of all the borrowings of our Company as on September 30, 2023 together with a brief description of certain significant terms of such financing arrangements.

***(₹ in lakhs)***

| Nature of Borrowings | Amount |
|---|---|
| **Secured borrowings** | |
| • Term Loan | 24.17 |
| • OCC/ ODBD/ Cash Credit | 237.46 |
| • Vehicle Loan | 35.29 |
| **Unsecured borrowings** | |
| • Loan and Advance from Director | 5.00 |
| **Total** | **301.92** |

**A. Secured Borrowings**

***(₹ in lakhs)***

| Sr. No | Name of Lender | Types on Loans | Date of sanction | Amount Sanctioned | Outstanding Amount as on September 30, 2023 | Rate of Interest Per Annum |
|---|---|---|---|---|---|---|
| 1. | Canara Bank | Term Loan[(i)] | August 30, 2022 | 45.00 | 24.17 | 11.30% |
| 2. | Canara Bank | Bank Overdraft[(ii)] | August 30, 2022 | 270.00 | 237.46 | 10.90% |
| 3. | ICICI Bank | Vehicle Loan[(iii)] | February 03, 2022 | 6.94 | 5.08 | 8.75% |
| 4. | ICICI Bank | Vehicle Loan[(iv)] | June 02, 2022 | 16.97 | 12.98 | 7.50% |
| 5. | ICICI Bank | Vehicle Loan[(v)] | April 22, 2022 | 8.91 | 6.78 | 9.15% |
| 6. | ICICI Bank | Vehicle Loan[(vi)] | January 07, 2023 | 4.10 | 3.20 | 10.05% |
| 7. | ICICI Bank | Vehicle Loan[(vii)] | November 04, 2022 | 9.00 | 7.25 | 10.05% |

**[(i)]Terms and Condition of Sanction (Term Loan)**

**Details**

***Security***

| *Facility* | *Nature of Security* | *Gross value as per stock statement* | *Nature of Charge* |
|---|---|---|---|
| Term Loan | Hypo of machinery purchased | 65.20 | Hypo. Exclusive charge |

***Personal Guarantee***

| *Guarantors Name* | *Net Worth (As per CA Certified NW dated 30.06.22) (as per sanction letter)* |
|---|---|
| Smt. Bindi Kunal Mehta | 117.41 |
| Sh. Vedant Mukesh Mehta | 149.91 |

**ROI of term loan @11.30% p.a. (RLLR as per Ho Cir, i.e. 8.30% + spread 2.60% in applicable rate of interest CGTMSE covered accounts + 0.40% tenor premium for loan repayable up to 5 years/ More than 5 years**.

***Other Conditions:***

- Borrower to submit documentary evidence in respect of net worth declared in NF 589.
- Borrower has to submit registered agreement of Rajkot factory after shifting of unit at new premises. I.e. within 6 months of disbursement.

| Details |
|---|
| • Borrower has to submit declaration for no diversion of funds should take place.<br>• Company to close the current account with ICICI Bank within 1 month of disbursement.<br>• Borrower has to submit ABS 2022 before disbursements.<br>• Company has to infuse capital of ₹ 40.00 lakhs before disbursement and remaining 10 lakhs by 31.03.2023 to comply with TOL: TNW bench mark parameter.<br>• Branch ensures to cover the entire facility under CGTMSE.<br>• Branch to obtain OPL from Cosmos co-op bank for M/s Kosmos venture.<br>• Prime Security & collateral securities should be adequately insured and contain the required bank clause.<br>• Personal guarantee of Joint / Co-owners of the property shall be given.<br>• Borrower has to submit margin receipt before disbursement of term loan.<br>• Authorization letter from borrower to remit the loan amount along with the amount of Margin to Vendor to be obtained.<br>• Borrower has to submit an undertaking not to avail loans from any other banks/ financial institutions hence forth without taking permissions from the sanctioning authority and restrict its dealing with us.<br>• All other terms and conditions as applicable to the type of advances are to be strictly adhered to. |

**(ii)Terms and Condition of Sanction (Bank Overdraft)**

| Details |
|---|

***Security***

| *Facility* | *Nature of Security* | *Gross value as per stock statement* | *Nature of Charge* |
|---|---|---|---|
| OCC/ ODBD | Hypo of stock & books debt | 137.15 | Hypo. Exclusive charge |

***Personal Guarantee***

| *Guarantors Name* | *Net Worth (As per CA Certified NW dated 30.06.22) (as per sanction letter)* |
|---|---|
| Smt. Bindi Kunal Mehta | 117.41 |
| Sh. Vedant Mukesh Mehta | 149.91 |

**ROI for OCC/ ODBD limit @10.90% (RLLR as per Ho Cir, i.e. 8.30% + spread 2.60%)**

***Other Conditions:***

- Borrower to submit documentary evidence in respect of net worth declared in NF 589.
- Borrower has to submit registered agreement of Rajkot factory after shifting of unit at new premises. I.e. within 6 months of disbursement.
- Borrower has to submit declaration for no diversion of funds should take place.
- Company to close the current account with ICICI Bank within 1 month of disbursement.
- Borrower has to submit ABS 2022 before disbursements.
- Company has to infuse capital of ₹ 40.00 lakhs before disbursement and remaining 10 lakhs by 31.03.2023 to comply with TOL: TNW bench mark parameter.
- Branch ensures to cover the entire facility under CGTMSE.
- Branch to obtain OPL from Cosmos co-op bank for M/s Kosmos venture.
- Prime Security & collateral securities should be adequately insured and contain the required bank clause.
- Personal guarantee of Joint / Co-owners of the property shall be given.
- Borrower has to submit margin receipt before disbursement of term loan.
- Authorization letter from borrower to remit the loan amount along with the amount of Margin to Vendor to be obtained.
- Borrower has to submit an undertaking not to avail loans from any other banks/ financial institutions hence forth without taking permissions from the sanctioning authority and restrict its dealing with us.
- All other terms and conditions as applicable to the type of advances are to be strictly adhered to.

| |
|---|
| • |

**(iii) Terms and Condition of Sanction (Vehicle Loan)**

| Details |
|---|
| • The tenure for the loan is for **60** months and the loan amount should be cleared within this period<br>• The repayment date is on the **15th** of every month.<br>• The rate of interest charged for this loan is **8.75%** of the principle amount i.e. **₹ 694,409.00**.<br>• The equated monthly schedule is as per amortization schedule. |

**(iv) Terms and Condition of Sanction (Vehicle Loan)**

| Details |
|---|
| • The tenure for the loan is for **60** months and the loan amount should be cleared within this period<br>• The repayment date is on the **5th** of every month.<br>• The rate of interest charged for this loan is **7.50%** of the principle amount i.e. **₹ 1,697,200.00**.<br>• The equated monthly schedule is as per amortization schedule. |

**(v) Terms and Condition of Sanction (Vehicle Loan)**

| Details |
|---|
| • The tenure for the loan is for **60** months and the loan amount should be cleared within this period<br>• The repayment date is on the 1**5th** of every month.<br>• The rate of interest charged for this loan is **9.15%** of the principle amount i.e. **₹ 891,000.00**.<br>• The equated monthly schedule is as per amortization schedule. |

**(vi) Term and Condition of Sanction (Vehicle Loan)**

| Details |
|---|
| • The tenure for the loan is for **36** months and the loan amount should be cleared within this period<br>• The repayment date is on the **7th** of every month.<br>• The rate of interest charged for this loan is **10.05%** of the principle amount i.e. **₹ 410,000.00**. |

**(vii) Term and Condition of Sanction (Vehicle Loan)**

| Details |
|---|
| • The tenure for the loan is for **48** months and the loan amount should be cleared within this period<br>• The repayment date is on the **15th** of every month.<br>• The rate of interest charged for this loan is **10.05%** of the principle amount i.e. **₹ 9000,000.00**. |

**B. Unsecured Borrowings**

The Company have also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on September 30, 2023.

***(₹ in lakhs)***

| Sr. No | Particulars | Amount |
|---|---|---|
| 1. | From Directors & Relatives | |
| | • Bindi Kunal Mehta | 2.00 |
| | • Vedant Mukesh Mehta | 3.00 |
| 2. | From Shareholders & others | Nil |
| | **Total** | **5.00** |

## CAPITALISATION STATEMENT

| Particulars | Pre-Issue | Post-Issue* |
|---|---|---|
| **Borrowings** | | |
| Short Term Debt (A) | 271.26 | [●] |
| Long Term Debt (B) | 30.65 | [●] |
| **Total Debt (C)** | **301.90** | [●] |
| **Shareholders' funds** | | |
| Equity Share Capital | 184.36 | [●] |
| Equity Share Application Money Pending Allotment | - | [●] |
| Reserve and Surplus – as restated | 62.89 | [●] |
| **Total shareholders' funds** | **247.24** | [●] |
| **Long Term Debt/ Shareholders' funds (in Rs.)** | **0.12** | [●] |
| **Total debt / shareholders' fund (in Rs.)** | **1.22** | [●] |

*(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.*

Notes:

1) 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 and current maturies of long term debts grouped under current liabilities.

3) The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30, 2023.

## CHAPTER VII – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there are no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claims related to direct or indirect taxes or (iv) other material litigation as per the Materiality Policy, in each case involving our Company, Promoters or Directors (collectively, the "Relevant Parties"). Further, there are no (i) disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.

In accordance with the Materiality Policy, all outstanding litigation involving the Relevant Parties, other than (i) criminal litigation, (ii) tax matters, (iii) statutory and regulatory actions, and (iv) disciplinary actions by SEBI or Stock Exchanges in the last five years against Promoters, would be considered 'material', if the monetary amount of claim made by or against the Relevant Party in any such outstanding litigation is in excess of 10% of the Net Profit After Tax as per the Restated Financial Information or where the monetary liability is not quantifiable, if the outcome of any such pending litigation may have a bearing on the business, operations, performance, prospects or reputation of our Company (as determined by our Company).

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized Stock Exchanges against our Promoters in the last five Financial Years immediately preceding the date of this Red Herring Prospectus, including any outstanding action.

It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those issued by governmental, statutory or regulatory, judicial authorities) received by the Relevant Parties shall in any event not be considered as litigation until such time that Relevant Parties are made a party to proceedings initiated before any court, tribunal or governmental, statutory authority or any judicial authority, or is notified by any governmental, statutory or regulatory or any judicial authority of any such proceeding that may be commenced.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, our Board, at its meeting held on 10th May 2023 has determined 'Material Dues' as outstanding dues to any creditors of our Company if the amount due to any one of them ('Material Creditor') exceeds 10% of the trade payables of the Company as per Restated Financial Statements for Financial Year 2022-23. The trade payables of our Company, as per the Restated Financial Statements for Financial Year 2022-23 is ₹ 19.23 Lakh and accordingly, any outstanding dues exceeding 10% have been considered as material outstanding dues for the purposes of disclosure in this section. Details of Material Dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at https://vruddhicouplers.com. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of date of this Red Herring Prospectus.

### I. Litigation involving our Company

### *A. Litigation filed against our Company*

#### 1) Criminal proceedings

As on the date of this Red Herring Prospectus, there are no criminal proceedings against our Company.

#### 2) Outstanding actions by regulatory and statutory authorities

As on the date of this Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities against our Company.

#### 3) Material Civil proceedings

As on the date of this Red Herring Prospectus, there are no material civil proceedings against our Company.

### *B. Litigation filed by our Company*

#### 1) Criminal proceedings

As on the date of this Red Herring Prospectus, no criminal proceedings have been initiated by our Company.

#### 2) Material Civil proceedings

As on the date of this Red Herring Prospectus, no material civil proceedings have been initiated by our Company.

**II. Litigation involving our Subsidiary**

As on the date of this Red Herring Prospectus, there are no Subsidiaries to the Company.

**III. Litigation involving the Directors (other than our Individual Promoter)**

***A. Litigation filed against our Directors***

**1) Criminal proceedings**

As on the date of this Red Herring Prospectus, there are no criminal proceedings against our Directors

**2) Outstanding actions by regulatory and statutory authorities**

As on the date of this Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities against our Directors.

**3) Material Civil proceedings**

As on the date of this Red Herring Prospectus, there are no material civil proceedings against our Directors.

***B. Litigation filed by our Directors***

**1) Criminal proceedings**

As on the date of this Red Herring Prospectus, no material civil proceedings have been initiated against our Directors.

**2) Material Civil proceedings**

As on the date of this Red Herring Prospectus, no material civil proceedings have been initiated by our Directors.

**IV. Litigation involving our Promoters**

***A. Litigation filed against our Promoters***

**1) Criminal proceedings**

As on the date of this Red Herring Prospectus, there are no criminal proceedings against our Promoters.

**2) Outstanding actions by regulatory and statutory authorities**

As on the date of this Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities against our Promoters.

**3) Material Civil proceedings**

As on the date of this Red Herring Prospectus, there are no actions taken by regulatory and statutory authorities against our Promoters.

***B. Litigation filed by our Promoters***

**1) Criminal proceedings**

As on the date of this Red Herring Prospectus, no criminal proceedings have been initiated by our Promoters.

**2) Material Civil proceedings**

As on the date of this Red Herring Prospectus, no material civil proceedings have been initiated our Promoters.

**V.** As on the date of this Red Herring Prospectus, there is no litigation involving our Group Companies which may have a material impact on our Company.

**VI.** Tax proceedings against our Company, Subsidiary, Promoters and Directors.

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Directors and Promoters:

| Nature of Proceedings | Number of cases | Amount involved (in ₹ Rupees) |
|---|---|---|
| ***Our Company*** | | |
| Direct tax | - | - |
| Indirect tax | - | - |
| ***Subsidiary*** | | |
| Direct tax | - | - |

| | | |
|---|---|---|
| Indirect tax | - | - |
| ***Directors*** | | |
| Direct tax | 1 | *1,31,030 |
| Indirect tax | - | - |
| ***Promoters*** | | |
| Direct tax | - | - |
| Indirect tax | - | - |

***Details are as under:**

**ANKITA ROHAN KOTHARI, DIRECTOR: Demand Reference Number – 2010200910042772762T**

Income Tax Department, Government of India raised an outstanding demand of INR 55,550/- and Accrued interest of INR 75,480 /- against ANKITA ROHAN KOTHARI for the Assessment Year 2010 under section code 143, 1a.

| Outstanding demand pertains to the AY | Demand raised under section code | Demand Reference No. | Demand raised date | Outstanding demand amount & interest |
|---|---|---|---|---|
| 2009 | 143; 1a | 2010200910042772762T | 04th November, 2010 | Outstanding demand amt 55,550/- Accrued Interest Amt 75,480/- |

The matter is appearing as pending

## VII. OUTSTANDING DUES TO CREDITORS

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2023, are set out below:

| Types of creditors | Number of Creditors | Amount Outstanding (₹ In Rupees) |
|---|---|---|
| Material Creditors | 2 | 96.19 |
| Micro, Small and Medium Enterprises* | 2 | 3.28 |
| Other creditors | 44 | 66.15 |
| **Total** | **48** | **165.62** |

**As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

The details pertaining to outstanding dues to creditors as on September 30, 2023 along with the name and amount involved for each such Material Creditors, are available on the website of our Company.

## VIII. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are or have been classified as a wilful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.

## IX. MATERIAL DEVELOPMENTS

Except as disclosed in the chapter titled ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page **170** of this Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial information as disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affector are likely to affect our profitability taken as a whole or the value of our consolidated assets or ourability to pay material liabilities within the next 12 months from the date of filing of this Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations and permits issued by relevant Central and State regulatory authorities under various rules and regulations. For details, please refer to the chapter titled ***"Key Industry Regulations and Policies"*** beginning on page **111** of this Red Herring Prospectus.

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. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities. Our Company is engaged in business of manufactures, processors, repairers, importers and exporters of and dealers in MS steel, steel plates, steel strips, sheet, structure, and pipes, ferrous and non-ferrous metal including rollers and re-rollers sheet metal, aluminum, brass, copper, etc. which require various approvals and / or licenses under various laws, rules and regulations.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

### I. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the issue:

1. Our Board of Directors have, pursuant to a resolution passed in its meeting held on July 10, 2023 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013
2. The shareholders of our Company have, pursuant to a special resolution passed in the Extraordinary general meeting of our Company held on July 10, 2023, authorized the Offer under Section 62(1)(c) of the Companies Act, 2013.
3. Our Company shall obtain in-principle approval from the stock exchange for the listing of our Equity Shares pursuant to letter dated November 10, 2023 bearing reference no. LO\SME-IPO\MJ\IP\309\2023-24.

### II. CORPORATE APPROVALS

1. Certificate of Incorporation dated October 27, 2020 issued to our Company by the Registrar of Companies, Mumbai in the name of "Vruddhi Steel Private Limited".
2. Certificate of Incorporation pursuant to conversion from private company to public company dated January 5, 2023 issued to our Company by the Registrar of Companies, Mumbai in the name of "Vruddhi Steel Limited".
3. Certificate of Incorporation pursuant to Change in Name of our Company dated June 20, 2023 issued to our Company by the Registrar of Companies, Mumbai in the name of "Vruddhi Engineering Works Limited".

### III. AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated, January 31, 2023 with the Central Depositories Services (India) Limited ("CDSL') and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
2. The Company has entered into an agreement dated January 25, 2023 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is INE0OMZ01013.

### IV. TAX RELATED APPROVALS

| Sr. No | Description | Authority | Registration No. | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|
| 1. | Permanent account number (PAN) | Income Tax Department, Government of India | AAHCV6949H | June 22, 2023 | Valid until cancel |
| 2. | Tax deduction accoun number (TAN) | Income Tax Department, Government of India | MUMV28625C | March 23, 2023 | Valid until cancel |

| | | | | | |
|---|---|---|---|---|---|
| 3 | GST Registration Certificate | Maharashtra Goods and Services Tax Act, 2017 | 27AAHCV6949H1ZQ | August 02, 2023 | Valid until cancel |
| 4 | Importer Exporter Code | Ministry of Commerce and Industry Directorate General of Foreign Trade | AAHCV6949H | March 10, 2022 | Valid until cancel |
| 5 | Professional Tax | Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 | 27171807886P | October 27, 2020 | Valid until cancel |
| 6 | Form IIA Certificate of Enrollment | Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | 99923962159P | October 28, 2020 | Valid until cancel |

## V. BUSINESS AND LABOUR RELATED APPROVALS / REGISTRATION / CERTIFICATES

Our Company requires various other approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals will be submitted in accordance with applicable procedures and requirements as and when required.

| Sr. No. | Description | Authority | Registration No. /License No./ Certificate No. | Date of Issue | Validity Date |
|---|---|---|---|---|---|
| 1. | Udyam Registration Certificate | Ministry of Micro, Small & Medium Enterprises, Government of India | UDYAM-MH-19-0027974 | December 17, 2020 | Valid until cancel |
| 2 | Employees State Insurance Certificate | Employees State Insurance Corporation | 35000505430000599 | July 15, 2022 | Valid until cancel |
| 3 | Employees Provident Fund | Ministry of Labour and Employment | MHBAN2224256000 | October 27, 2020 | Valid until cancel |
| 4 | Quality Management System (ISO 9001:2015) | UASL, England, UK Quality Management | QMS/024942/1121 | November 22, 2021 | November 21, 2024 |
| 5 | Environment Management System (ISO 14001:2015) | UASL, England, UK Quality Management | EMS/5344/1222 | December 22, 2022 | December 21, 2025 |
| 6 | Occupational Health & Safety Management System (ISO 45001:2018) | UASL, England, UK Quality Management | OHSMS/5347/1222 | December 22, 2022 | December 21, 2025 |
| 7 | Maharashtra Labour Welfare Board | Welfare Commissioner Maharashtra Labour Welfare Board | MUMUMV000677 | December 24, 2021 | Valid until cancel |
| 8 | Form B Registration Certificate | Maharashtra shop and Establishment (Regulations of Employment and conditions of Service) Act ,2017 | 820298802 / KW Ward/COMMERCIAL II | July 29, 2023 | Valid until cancel |

## VI. INTELLECTUAL PROPERTY APPROVAL

As on the date of this Red Herring Prospectus, the Company has the following Trademark pending applications:

| Sr. No | Brand Name/ Logo Trademark | Class | Nature of Trademark | Applicant | Application No. & Date | Status |
|---|---|---|---|---|---|---|
| 1. | VRUDDHI STEEL PRIVATE LIMITED | 6 | Device | Vruddhi Steel Private Limited | 4813858 & 09/01/2021 | Refused |
| 2. | VRUDDHI ENGINEERING WORKS LIMITED | 6 | Device | Vruddhi Engineering Works Limited | 6018040 & 12/07/2023 | Objected |
| 3 | | 6 | Device | Vruddhi Engineering Works limited | 6030308 & 20/07/2023 | Accepted and advertised |
| 4 | VRUDDHI ENGINEERING WORKS LIMITED | 6 | Device | Vruddhi Engineering Works limited | 6030506 & 20/07/2023 | Accepted and advertised |

**VII. KEY APPROVALS THAT HAVE EXPIRED AND FOR WHICH RENEWAL APPLICATIONS HAVE BEEN MADE:**

There are no such key approvals which have expired and for which renewal applications have been made as on the date of this Red Herring Prospectus

**VIII. KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED**

There are no such key approvals applied for by our but not received as on the date of this Red Herring Prospectus

**IX. KEY APPROVALS REQUIRED BUT NOT OBTAINED OR APPLIED FOR BY OUR COMPANY**

There are no such key approvals required but not obtained or applied for as on the date of this Red Herring Prospectus except below mentioned:

| Sr. No | Description | Authority | Application no/ Registration No. /License No./ Certificate No. | Status |
|---|---|---|---|---|
| 1. | Employees State Insurance Certificate | Employees State Insurance Corporation | - | The Certificate is in the name of Vruddhi Steel Limited, the same applied in the name of the Vruddhi Engineering Works Limited. |

| | | | | |
|---|---|---|---|---|
| 2. | Employees Provident Fund | Ministry of Labour and Employment | - | The Certificate is in the name of Vruddhi Steel Limited, the same applied in the name of the Vruddhi Engineering Works Limited. |
| 3. | Maharashtra Labour Welfare Board | Welfare Commissioner Maharashtra Labour Welfare Board | - | The Certificate is in the name of Vruddhi Steel Limited, the same applied in the name of the Vruddhi Engineering Works Limited. |

## OTHER REGULATORY AND STATUTORY DISCLSOURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on July 10, 2023 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1) (c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on July 10, 2023.

Our Board has approved this Draft Red Herring Prospectus through its resolution dated July 29, 2023.

Our Board has approved the Red Herring Prospectus through its resolution dated March 16, 2024.

Our Board has approved the Prospectus through its resolution dated [●], 2024.

We have received In-Principle Approval from SME Platform of BSE Limited vide their letter dated November 10, 2023 to use the name of BSE Limited in the Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

### PROHIBITION BY SEBI

Our Company, Promoter, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoter or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoter or Directors.

### PROHIBITION BY RBI

Neither our Company, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled **"*Outstanding Litigations and Material Developments*"** beginning on page **183** of this Red Herring Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoter and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended ("**SBO Rules**"), to the extent applicable to each of them as on the date of this Red Herring Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more ten crores and less than twenty-five crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("**SME Exchange**", in this case being the SME Platform of BSE Limited or "**BSE SME**"). Our Company also complies with eligibility conditions laid by SME Platform of BSE Limited for listing of Equity Shares.

**We confirm that:**

a. In accordance with Regulation 246 of the SEBI (ICDR) Regulations, 2018, the Book Running Lead Manager shall ensure that the Issuer shall file copy of the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus to SEBI.

b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Book Running Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see *"**General Information**"* on page **47** of this Red Herring Prospectus.

c. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Applicants, in accordance with the SEBI ICDR Regulations and applicable law

d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Book Running Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see *"**General Information**"* on page **47** of this 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.***

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE Limited which states as follows:

*In terms of Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE, which are as under*

**1. The issuer should be a Company incorporated Under Companies Act, 1956/2013**

Our Company is incorporated under the Companies Act, 2013 on October 27, 2020.

**2. The post issue paid up capital of the Company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company shall not be more than ₹25 crores.

**3. Track Record**

**A) Our Company have a (combined) track record of at least 3 years.**

Our Company was incorporated on August 03, 2017 and has a track record of at least 3 years as on the date of filling Red Herring Prospectus.

(₹ in lakhs)

| Particulars | As on September 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|---|---|---|---|
| Net Profit as per Restated Financial Statement | 41.01 | 75.34 | 9.44 | (0.88) |

**B) The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

(₹ in lakhs)

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|---|---|---|
| Cash Accruals as per Restated Financial Statement(EBITDA) | 135.07 | 14.34 | (0.88) |
| Net Worth as per Restated Financial Statement | 212.12 | 9.56 | 0.12 |

**4. The Company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE0OMZ01013

**5. Company shall mandatorily have a website.**

Our Company has a live and operational website www.vruddhicouplers.com.

**6. Other Listing Condition:**

a) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

b) There is no winding up petition against the Company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.

c) There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME Platform of BSE Limited.

d) No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.

e) Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

f) None of the Directors of our Company have been categorized as a Willful Defaulter or fraudulent borrowers.

g) 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

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE Limited.

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS THE BOOK RUNNING LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS / RED HERRING PROSPECTUS / PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS, RED HERRING PROSPECTUS AND PROSPECTUS.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI, IN TERMS OF SECTION 26, 32, 33(1) and 33(2) OF THE COMPANIES ACT, 2013.**

**DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company, the Directors, and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned **e**ntities and that

anyone placing on any other source of information, including our website: www.vruddhicouplers.com and www.fedsec.in would be doing so at his or her own risk.

None amongst our Company is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Applications 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.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, 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 or become customers to our Company, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

**DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian Nationals Resident in India who are not companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-Operative Banks (subject to RBI permission), or Trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII Sub - Account registered with SEBI which is a Foreign Corporate or Foreign Individual, Permitted Insurance Companies and Pension Funds and to FIIs and Eligible NRIs. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and 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 Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED**

"BSE Limited ("BSE") has vide its letter dated November 10, 2023, given permission to "Vruddhi Engineering Works Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or

iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.

v. BSE does not in any manner be liable for ony direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.

vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai". **DISCLAIMER CLAUSE 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.*

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 Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**LISTING**

Our Company has obtained In-Principle Approval from BSE Limited vide letter dated November 10, 2023 to use name of BSE Limited in this offer document for listing of equity shares on SME Platform of BSE Limited. In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from SME Platform of BSE Limited. Application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE Limited mentioned above are taken within Three Working Days from the Issue Closing Date.

**CONSENTS**

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Legal Chapters, Bankers to our Company, Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities will be been obtained and will 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 shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, Peer Review Auditors, of the Company have agreed to provide their written consent to include their report, restated financial statements and statutory auditor to provided their written consent to include their report statement of Tax Benefits dated February 23, 2024 and February 28, 2024 respectively, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Book Running Lead Manager at www.fedsec.in.

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED**

**TABLE 1**

| Sr. No. | Issue Name | Issue Size (Cr) | Issue Price (₹) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| **MAINBOARD IPOs** | | | | | | | | |
| 1. | Mukka Proteins Limited | 224.00 | 28.00 | March 07, 2024 | 40.00 | Not Applicable | Not Applicable | Not Applicable |
| **SME IPOs** | | | | | | | | |
| 1. | Kundan Edifice Limited | 25.22 | 91.00 | September 26, 2023 | 75.00 | (23.13%)<br>(2.76%) | 163.41%<br>9.03% | Not Applicable |
| 2. | Oneclick Logistics India Limited | 9.90 | 99.00 | October 11, 2023 | 140.00 | (30.91%)<br>(2.10%) | (21.87%)<br>8.59% | Not Applicable |
| 3. | Sharp Chucks and Machines Limited | 16.84 | 58.00 | October 12, 2023 | 66.00 | 43.71%<br>(1.86%) | 26.64%<br>8.85% | Not Applicable |
| 4. | Committed Cargo Care Limited | 24.94 | 77.00 | October 18, 2023 | 82.00 | (11.95%)<br>0.48% | (21.30%)<br>12.33% | Not Applicable |
| 5. | KK Shah Hospital | 8.78 | 45.00 | November 6, 2023 | 56.10 | 84.00%<br>6.68% | 59.89%<br>10.43% | Not Applicable |
| 6. | IBL Finance Limited | 33.40 | 51 | January 16, 2024 | 56.00 | 22.35%<br>(0.87%) | Not Applicable | Not Applicable |
| 7. | Docmode Health Technologies Limited | 6.71 | 79 | February 02, 2024 | 190.25 | 162.03%<br>2.52% | Not Applicable | Not Applicable |
| 8. | Baweja Studios Limited | 97.20 | 180 | February 06, 2024 | 183.00 | (28.61%)<br>2.48% | Not Applicable | Not Applicable |
| 9. | Polysil Irrigation Systems Limited | 17.43 | 54.00 | February 16, 2024 | 56.00 | Not Applicable | Not Applicable | Not Applicable |
| 10. | Deem Roll-Tech Limited | 29.26 | 129.00 | February 27, 2024 | 200.00 | Not Applicable | Not Applicable | Not Applicable |

Sources: All share price data is from www.bseindia.com and www.nseindia.com

**Note:**

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Book Running Lead Manager.

**TABLE 2: SUMMARY STATEMENT OF DISCLOSURE**

| Financial year | Total no. of IPO | Total funds Raised (Rs. Cr) | Nos of IPOs trading at discount on 30th Calendar Day from listing date | | | Nos of IPOs trading at premium on 30th Calendar Day from listing date | | | Nos of IPOs trading at discount on 180th Calendar Day from listing date | | | Nos of IPOs trading at premium on 180th Calendar Day from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less Than 25% |
| **2020-21** | *2 | 49.64 | - | - | 1 | - | - | 1 | - | - | 1 | 1 | - | - |
| **2021-22** | **5 | 153.99 | 1 | - | 2 | 1 | - | 1 | 1 | 1 | - | - | 1 | 2 |
| **2022-23** | ***7 | 131.26 | - | 1 | 1 | 1 | 2 | 2 | - | - | 3 | 3 | - | 1 |
| **2023.-24** | ****14 | 541.00 | - | 2 | 3 | 3 | 2 | 1 | - | - | 1 | 1 | - | 1 |

**The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.*
*** The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.*
**** The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited, Tapi Fruit Processing Limited, Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022, September 22, 2022, December 30, 2022 and February 21, 2023 respectively.*
***** The scripts of Pattech Fitwell Tube Components Limited and Yasons Chemex Care Limited and Pramara Promotions Limited were listed on April 21, 2023, August 03, 2023 and September 13, 2023, respectively. The scripts of Kundan Edifice Limited, Oneclick Logistics India Limited, Sharp Chucks and Machines Limited, Committed Cargo Care Limited and KK shah Hospitals were listed on September 26, 2023, October 11, 2023, October 12, 2023, October 18, 2023 and November 6, 2023, respectively, and have not completed 180 calendar days. The scripts of IBL Finance Limited, Docmode Health Technologies Limited and Baweja Studios Limited were listed on January 16, 2024, February 02, 2024 and February 06, 2024 and have not completed 90 calendar days. The scripts of Polysil Irrigation Systems Limited, Deem Roll-Tech Limited and Mukka Proteins Limited were listed on, February 16, 2024, February 27, 2024 and March 07, 2024, respectively and have not completed 30 calendar days.*

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.

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 Fedex Securities Private Limited.

**EXPERT OPINION**

**Except for**

(a) Peer Review Auditors' reports dated February 23, 2024 on the Restated Financial Statements by Maheshwari & Co., Chartered Accountants;

(b) Statement of Tax Benefits dated February 28, 2024 by Maheshwari & Co., Chartered Accountants; we have not obtained any other expert opinions.

**PREVIOUS PUBLIC OR RIGHTS ISSUE**

Except as stated in the chapter titled ***"Capital Structure"*** beginning on page **58** of this Red Herring Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

**COMMISSION OR BROKERAGE**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

**CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY**

Except as disclosed in Chapter titled ***"Capital Structure"*** on page **58** and below, our Company has not made any capital issue during the previous three (3) years. Further Our Company do not have any listed group Companies/ Subsidiaries / Associates.

**PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled ***"Capital Structure"*** beginning on page **58** of this Red Herring Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Subsidiaries have their equity shares listed on any stock exchange.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

**MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of

funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Issue Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular 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 Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|---|---|---|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount and<br>2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and<br>2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted / partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

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/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

**Disposal of Investor Grievances by our Company**

Our Company will obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, SEBI Circular (CIR/OIAE/1/2014) dated December 18, 2014, and SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be ten (10 working days) from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on May 10, 2023 comprising of Karan Manoj Doshi as the Chairman, Bindi Kunal Mehta and Vedant Mukesh Mehta as members. For further details, please refer the chapter titled ***"Our Management"*** on page **121** of Red Herring Prospectus.

Our Company has also appointed Kishori Jaysingh Sodha as the Company Secretary and Compliance Officer of our Company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

**VRUDDHI ENGINEERING WORKS LIMITED**

Office No 603, 6th Floor, Cello - The Plaza,

V P Road, Vile Parle West-400056,

Mumbai, Maharashtra, India.

**Tel No:** +91 022 26128915

**Email:** cs@vruddhicouplers.com

**Website**: www.vruddhicouplers.com

**STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor compliant during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

**Exemptions from complying with any provision of securities laws, if any, granted by SEBI**

Our Company has not been applied for an exemption from complying with any provisions of securities laws by SEBI.

## CHAPTER VIII – ISSUE INFORMATION

## TERMS OF ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Red Herring Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/ or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified though its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the "**UPI Circular**") in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until June 30, 2019 ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures as may be prescribed by the SEBI from time to time. Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

**Authority for the Present Issue**

This Issue has been authorized by a resolution of our Board passed at their meeting held on July 10, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on July 10, 2023.

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled "***Main Provisions of the Articles of Association***" beginning on page **237** of this 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 approved by 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 chapter titled "***Dividend Policy***" and *"**Main Provisions of Articles of Association**"* beginning on page **140** and **237** respectively of this Red Herring Prospectus.

**Face Value and Issue Price**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ 66 per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ 70 per Equity Share ("Cap Price").

The Price Band and the minimum Bid Lot size as decided by our Company in consultation with the Book Running Lead Manager and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai Edition of Regional newspaper Navshakti, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

**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.

**Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all applicable 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:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled "***Main Provisions of Articles of Association***" beginning on page **237** of this Red Herring Prospectus.

**Allotment of Equity Shares in dematerialized form:**

As per the provisions of the Depositories Act, 1996 and the regulations made thereunder and pursuant to 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.

**Minimum Application Value; Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 2000 Equity Shares and the same may be modified by SME Platform of BSE Limited 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 2000 Equity Share subject to a minimum allotment of 2000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) 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.

**Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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.

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 Issue may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**Joint Holders**

Where 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 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, 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 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 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 ninety (90) 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 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.

**Period of Operation of Subscription List of Public Issue**

| | |
|---|---|
| **BID/ ISSUE OPENING DATE(1)** | **TUESDAY, MARCH 26, 2024[1]** |
| **BID/ ISSUE CLOSING DATE(2)** | **THURSDAY, MARCH 28, 2024^[2]** |
| **FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE (T+1)** | **MONDAY, APRIL 01, 2024** |
| **INITIATION OF ALLOTMENT/ REFUNDS/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT OR UPI ID LINKED BANK ACCOUNT(T+2)** | **TUESDAY, APRIL 02, 2024** |
| **CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES (T+2)** | **TUESDAY, APRIL 02, 2024** |
| **COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE(T+3)** | **WEDNESDAY, APRIL 03, 2024** |

*Note 1: Since 60% of the QIB Portion is less than ₹ 200.00 lakhs, which is less than the minimum investment by an anchor investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors.*

*Note 2: Our Company in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

*^UPI mandate end time shall be at 5:00 PM on Bid/Offer Closing Date, i.e., on Thursday, March 28, 2024.*

*• In terms of Regulation 265 of ICDR Regulations, the Offer shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.*

*• In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances or for reason considered necessary by our Company, our Company may, for reasons to be recorded in writing, extend the Offer Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Offer Period not exceeding ten (10) working days*

*• UPI mandate end time and date were at 5.00 p.m. on Application/Offer Closing Date*

*• Note Our Company and the Selling Shareholders 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*

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

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Bidder. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022.*

**The above timetable is indicative and does not constitute any obligation or liability on our Company or the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 3 (three) Working Days of the Bid / Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of**

**the Bid / Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. 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 nonretail Bidders. The time for applying for Retail Individual Bidders on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ 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 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 Bidders are not allowed to withdraw or lower the size of their Bid (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Bidders, 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 Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum-Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ 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, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

**Minimum Subscription and Underwriting:**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. A subscription in the Issue equivalent to at least 25% post-Issue paid up Equity Share capital of our Company, as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/Issue Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued under this Draft Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 4 (four) days, our Company to the extent applicable, shall pay interest at the rate of 15% per annum including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty) failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Company shall be liable to pay interest on the application money in accordance with applicable laws.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled ***"General Information - Underwriting"*** on page **47** of this 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.

**Arrangements for Disposal of Odd Lots**

The trading of the equity shares will happen in the minimum contract size of 2000 Equity 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 Limited.

**Withdrawal of the Issue**

Our Company in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company, and the BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of UPI Bidders using the UPI mechanism), as applicable, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Issue and subsequently, plans of a fresh Issue by our Company, a fresh draft red herring prospectus will be submitted again to SEBI and the Stock Exchanges.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Draft Red Herring Prospectus.

**Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for lock-in of the Pre-Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the chapter "***Capital Structure***" beginning on page **58** of the Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the chapter titled "***Main Provisions of the Articles of Association***" beginning on page **237** of the Red Herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

**New Financial Instruments**

As on the date of this Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoter, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

**As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**Allotment of Equity Shares Only in Dematerialized Form**

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form. As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Red Herring Prospectus:

- Tripartite agreement dated January 31, 2023 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated January 25, 2023 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange.

**Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of 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 ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 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 issued through this issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Book Running Lead Manager to this issue 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 chapter titled ***"General Information"*** on page **47** of this Red Herring Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital exceeds ₹10 crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "***Terms of the Issue***" and "***Issue Procedure***" on page **200** and **209** respectively of this Red Herring Prospectus.

**Issue Structure**

Public issue of up to [●] 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 (the "issue price") aggregating to ₹ 476.00 lakhs ("the issue") by our Company.

| Particulars of the Issue (2) | Market Maker Reservation Portion | QIBs(1) | Non-Institutional Investors/Bidders | Retail Individual Investors/Bidders |
|---|---|---|---|---|
| **Number of Equity Shares available for Allocation** | Upto [●] Equity Shares | Not more than [●] Equity Shares | Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders | Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders |
| **Percentage of Issue Size available for Allocation** | [●] of the Issue Size | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion | Not less than 15% of the Issue less allocation to QIB Bidders and RIBs will be available for allocation | Not less than 35% of the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation |
| **Basis of Allotment(3)** | Firm Allotment | Proportionate as follows:<br>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.<br>*Since 60% of the QIB Portion is less than ₹* | 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 ***"Issue Procedure"*** beginning on page **209** of this Red Herring Prospectus. | 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 ***"Issue Procedure"*** beginning on page **209** of this Red Prospectus. |

| | | | | |
|---|---|---|---|---|
| | | *200.00 lakhs, which is less than the minimum investment by an Anchor Investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors.* | | |
| **Mode of allotment** | Compulsorily in dematerialized form. | | | |
| **Minimum Bid Size** | [●] Equity Shares | Such number of Equity Shares and in multiples of 2000 Equity Shares that the Bid Amount exceeds ₹200,000 | Such number of Equity Shares and in multiples of 2000 Equity Shares that the Bid Amount exceeds ₹200,000 | 2000 Equity Shares |
| **Maximum Bid Size** | [●] Equity Shares | Such number of Equity Shares in multiples of 2000 Equity Shares not exceeding the size of the Net Issue, subject to applicable limits | Such number of Equity Shares in multiples of 2000 Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Such number of Equity Shares in multiples of 2000 Equity Shares so that the Bid Amount does not exceed ₹ 200,000 |
| **Trading Lot** | 2000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. | 2000 Equity Shares and in multiples thereof | 2000 Equity Shares and in multiples thereof | 2000 Equity Shares and in multiples thereof |
| **Terms of Payment** | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder 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. | | | |
| **Mode of Bidding** | Only through the ASBA process. | | Only through the ASBA process | Through ASBA Process, Through Banks or by using UPI ID for payment |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

(1)*In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post Issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

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

## ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issue prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI ("General Information Document") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "PART B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public Issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.*

*Additionally, all 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 Issue; (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 Issue; (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.*

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual. Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 ("UPI Phase II"). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Subsequently, pursuant to press release bearing number 12/2023 dated June 28, 2023 by SEBI, the revised timeline of T+3 days shall be made applicable in two phases, i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 ("T+3 Press Release").*

*The Offer will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular came into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus. The SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, has consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs. The provisions of the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022, are also deemed to form part of this Red Herring Prospectus. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to*

*₹500,000 shall use the UPI Mechanism. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. Further, our Company and the BRLM are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.*

*Our Company and the BRLM are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Offer.*

*Our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for bid in this Issue.*

*The revisions of the circular dated June 02, 2021 are elaborated as under: -*

- *SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issues opening on/after January 01, 2022.*

- *The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issues opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.*

- *In the interim, for the Public Issues opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.*

- *The Stock Exchanges and Book Running Lead Managers shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.*

- *The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.*

- *The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending bids for unblock, if any, to the Registrar to the Offer, not later than 5:00 PM on BOA+1.*

- *Subsequent to the receipt of the pending bids for unblock from the Sponsor Bank, the Registrar to the Offer shall submit the bank-wise pending UPI bids for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Two (2) Working Days from the Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Two (2) Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Bids money to four days. Bidder are advised to make their independent investigations and ensure that their bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus. The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.*

*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.*

For further details, refer to the General Information Document available on the websites of the Stock Exchange www.sebi.gov.in and the Book Running Lead Manager www.fedsec.in.

**BOOK BUILT ISSUE PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs. Further, 5% of the QIB 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Provided further that in addition to five per cent. allocation available in terms of clause, mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Provided that the unsubscribed portion in either of the categories specified in Retail Individual Investors or Non-Institutional Investor may be allocated to applicants in any other category.

Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

**Investors should note that Equity Shares will be allotted to successful Bidders in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The Bid cum Application Forms which do not have the details of the Bidders' depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Bidders using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid-Cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.**

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges

Phased implementation of UPI as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by UPI Bidders through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

(b) Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a Retail Individual Investor through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is 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. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

(c) Phase III: This phase has become applicable on a voluntary basis for all public issues opening on or after September 1, 2023 and on a mandatory basis for all public issues opening on or after December 1, 2023, as per the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue

closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer has been made under UPI Phase III of the UPI Circular.

Our Company was required to appoint one or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 issued by SEBI using the UPI. For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

For further details, refer to the General Information Document available on the websites of BSE, the BRLM

Further, pursuant to SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual Bidders applying in public issues where the application amount is up to ₹ 5.00 lakhs shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

(i) a syndicate member;

(ii) 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);

(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

**Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

All ASBA Bidders must provide either (i) bank account details and authorisation to block funds in their respective ASBA Form, or (ii) the UPI ID (in case of UPI Bidders using UPI Mechanism), as applicable, in the relevant space provided in the ASBA Form. The ASBA Form 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. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

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.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum Application Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. UPI Bidders using UPI Mechanism shall submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, CRTAs or CDPs. UPI Bidders authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein, at the time of submitting the Bid. For all the initial public offerings opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIBs and Non-Institutional Investors and also for all modes through which the applications are processed.

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:

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category | Colour of Application Form |
|---|---|
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA) | White* |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue* |

**Excluding Electronic Bid cum Application Form*

*Notes: (1) Electronic Bid cum Application forms will also be available for download on the website BSE (www.bseindia.com).*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in thev electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For ASBA Forms (other than UPI Bidders using UPI Mechanism, where made available) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and resubmission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to UPI Bidders for blocking of funds.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE circular no: 20220803-40, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further,

modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and the Sponsor Bank on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – "Designated Intermediaries")

| Sr. No. | Designated Intermediaries |
|---|---|
| 1 | An SCSB, with whom the bank account to be blocked, is maintained |
| 2 | A syndicate member (or sub-syndicate member) |
| 3 | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4 | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5 | A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|---|
| **For Applications submitted by Investors to SCSB:** | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| **For applications submitted by investors to intermediaries other than SCSBs:** | After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |

| | |
|---|---|
| **For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:** | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a 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, Red Herring Prospectus, 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 Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

**MAXIMUM AND MINIMUM APPLICATION SIZE**

***For Retails Individual Bidders***

The Application must be for a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000**.**

***For Other than Retail Individual Bidders (Non-Institutional Investors and QIBs):***

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of 2000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

**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 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 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 Book Running Lead Manager decided the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai Edition of Regional newspaper Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The Book Running Lead Manager and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai Edition of Regional newspaper Navshakti (a widely circulated Marathi daily newspaper Marathi being the regional language of Maharashtra where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.

b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the Book Running Lead Manager or their authorized agents to register their Bids. ASBA Bidders should approach the Designated Branches or the Book Running Lead Manager (for the Bids to be submitted in the Specified Cities) to register their Bids.

c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a Book Running Lead Manager or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Book Running Lead Manager or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".

e) The Book Running Lead Manager /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) 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.

g) 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.

h) 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.

i) 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 Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

**Participation by associates/affiliates of Book Running Lead Manager and the Syndicate Members**

The Book Running Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

**Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) working days before the Issue 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 Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

4) Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.

5) Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.

6) Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

7) The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.

8) Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.

9) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10) The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

**BIDS BY ANCHOR INVESTORS:**

*Since 60% of the QIB Portion is less than ₹ 200.00 lakhs, which is less than the minimum investment by an Anchor Investor to be qualified as a QIB in accordance with regulation 2(1)(c) of SEBI ICDR Regulations, no provisions are made for anchor investors*

**BIDS BY ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non- Resident External ("NRE") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("NRO") accounts or confirm or accept the UPI Mandate Request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue colour). By way

of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details, see ***"Restrictions on Foreign Ownership of Indian Securities"*** on page 236 of this Red Herring Prospectus.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules

**BIDS BY FPI:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may Issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

**BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Book Running Lead Manager 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 Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

**BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

**BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

**BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

a. With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

b. With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

c. With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

d. With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form

e. Our Company in consultation with the Book Running Lead Manager 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 Book Running Lead Manager may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

**BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

**BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary

(with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

**BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

**ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

Upon approval of the basis of allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

**ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders has 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 the Draft Red Herring Prospectus. ASBA Bidders is advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this chapter.**

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on www.sebi.gov.in. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above-mentioned SEBI link.

**ASBA Process and Electronic Registration of Application**

Resident Retail Individual Bidder shall submit his Application through a Bid Cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilized by the ASBA Bidder ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Book Running Lead Manager.

ASBA Bidders are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

**BID CUM APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.**

**Who can apply?**

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.

**Mode of Payment**

Upon submission of a Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

**Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.**

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

**Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

**Terms of payment**

The entire Issue price of ₹ [●] /- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

**Payment Mechanism**

The Bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the bid Amount (issue price) in the bank account specified in the Bid cum Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

**PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)**

**In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.**

**Who can apply through UPI Mode:**

Only Retail Individual Investors are allowed to use UPI for the payment in public issues. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

**Process**

**Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website:** www.sebi.gov.in**.**

**Blocking of Funds:**

a) Investors shall create UPI ID

b) Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the bid cum application form

c) Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange

d) Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission

e) Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds

f) Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

**UNBLOCKING OF FUNDS:**

a) After the issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.

b) Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public issue escrow account and unblocking of excess funds

c) Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited from investors account and excess funds, if any, would be unblocked.

**Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.**

**REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

**LIST OF BANKS PROVIDING UPI FACILITY**

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public issues using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

**ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Book Running Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.
2. The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.
3. In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.
4. The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.
5. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary 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 on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Book Running Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.
6. At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:
    1. Name of the Applicant;
    2. IPO Name;
    3. Application Form number;
    4. Investor Category;
    5. PAN (of First Applicant, if more than one Applicant);
    6. DP ID of the demat account of the Applicant;
    7. Client Identification Number of the demat account of the Applicant;
    8. UPI ID (RIIs applying through UPI Mechanism)
    9. Numbers of Equity Shares Applied for;
    10. Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
    11. Bank account number
    12. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.
7. The Designated 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 application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
8. Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

9. In case of QIB Applicants, the Book Running Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

10. 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 Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

11. Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges 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.

12. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

13. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA Applicants.

**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 Book Running Lead Manager at the end of the Bid/ Issue Period.

b. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

**WITHDRAWAL OF APPLICATIONS**

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

**FILING OF THE RED HERRING PROSPECTUS**

For filing details, please refer Chapter titled "***General Information***" beginning on page **47** of this Red Herring Prospectus.

**PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES**

a. Based on the demand generated at various price levels, our Company in consultation with the Book Running Lead Manager, shall finalise the Issue Price.

b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

d. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.

e. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

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

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The Issuer, in consultation with the Book Running Lead Manager, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

**ISSUANCE OF ALLOTMENT ADVICE**

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

2. Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful Bidder's Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

3. 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 2 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

**Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

**GENERAL INSTRUCTIONS**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw or lower the size of their Bid(s) until Bid/ Issue Closing Date

**Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
4. UPI Bidders using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. UPI Bidder using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of the relevant Designated Intermediary;
6. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, Mobile Applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
7. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
8. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
9. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. In case of joint Bids, ensure that 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. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
12. Ensure that the 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;
13. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
14. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
16. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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;
18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. 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;
20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney, are submitted;
22. Ensure that Bids submitted by any person resident outside India should be in compliance with applicable foreign and Indian laws;
23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
24. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID,UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;
25. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);
26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
27. The ASBA Bidders shall ensure that bids above ₹0.5 million, are uploaded only by the SCSBs;
28. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Bank issues the UPI Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment;
29. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
30. UPI Bidders should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
31. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
32. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/Issue Closing Date;
34. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids are liable to be rejected;
35. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM;
36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI (at www.sebi.gov.in) or such other websites as updated from time to time;
37. 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 or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
38. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the

authorization of the mandate using his/her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

39. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form
40. Bidders (other than Anchor Investors) ensure that only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism, where made available) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
41. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
42. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹0.2 million would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹0.2 million would be considered under the Non-Institutional Portion, for the purposes of allocation in the Issue;
43. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected;
44. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the working Day immediately after the Bid/Issue Closing Date; and
45. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres or to any unauthorised Designated Intermediary;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Issue Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a UPI Bidder using the UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not Bid for a Bid Amount exceeding ₹0.2 million (for Bids by Retail Individual Investors);
18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Issue Closing Date;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

22. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
23. 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;
24. 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);
25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or Mobile Applications and/or UPI handle that is not listed on the website of SEBI;
26. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
28. Do not submit a Bid cum Application Form with third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);
29. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
30. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
31. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
33. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
34. Do not Bid if you are an OCB; and
35. Bids uploaded by QIBs after 4:00 p.m. on the QIB Bid/Issue Closing Date and by Non-Institutional Bidders uploaded after 4:00 p.m. on the Bid/Issue Closing Date, and Bids by RIBs uploaded after 5:00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges. On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "***General Information***" on page 47 of this Red Herring Prospectus.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the Book Running Lead Manager pursuant to the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see ***"General Information –Book Running Lead Manager"*** on page 107 of this Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

**GROUNDS FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Bids submitted without the signature of the First Bidder or sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIIs with Bid Amount of a value of more than ₹0.20 million;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional

Investors uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIIs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see ***"General Information"*** on page **47** of this Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

**COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Company Secretary and Compliance Officer (Kishori Jaysingh Sodha) or the Registrar to the Issue in case of any Pre-Issue or Post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.**

| **VRUDDHI ENGINEERING WORKS LIMITED** | **BIGSHARE SERVICES PRIVATE LIMITED** |
|---|---|
| **Address:** Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056,<br>Mumbai, Maharashtra, India.<br>**Tel No:** +91 022 26128915<br>**Email:** cs@vruddhicouplers.com<br>**Website:** www.vruddhicouplers.com | **Address:** Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Cave Road, Andheri - [East], Mumbai - 400093, Maharashtra, India.<br>**Tel No:** +91 22 6263 8200<br>Fax No. +91 22-6263 8299<br>**Email:** ipo@bigshareonline.com<br>**Website:** www.bigshareonline.com<br>**Contact Person:** Mr. Babu Rapheal C. |

**IMPERSONATION**

Attention of the Bidder 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 shall be liable for action under Section 447*".

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 for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10.00 Lakhs or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50.00 lakhs or with both.

**ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Bidders may be on proportionate basis. 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 Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 2000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 2000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 2000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 2000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 2000 Equity Shares and in multiples of 2000 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a. In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.\
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b. In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of 2000 Equity Shares and in multiples of 2000 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 2000 Equity Shares and in multiples of 2000 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 2000 Equity Shares.

**Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

i. 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).

ii. 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).

iii. For Bids where the proportionate allotment works out to less than 2000 equity shares the allotment will be made as follows:

- Each successful Bidder shall be allotted 2000 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.

iv. If the proportionate allotment to a Bidder works out to a number that is not a multiple of 2000 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 2000 equity shares subject to a minimum allotment of 2000 equity shares.

v. 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 2000 Equity Shares

vi. 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.

**BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

***Minimum Subscription***

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the listing or trading permission are not obtained from the BSE Ltd for the Equity Shares, our Company, to the extent applicable, shall forthwith refund the entire subscription

amount received. If there is a delay beyond prescribed days, our Company, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

***Minimum Number of Allottees***

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

**Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations**.**

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares through the Issue Document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent. of the Issue may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to applicants other than to the Retail Individual Bidders shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, shall be Allotted on a proportionate basis. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size 2000 Equity Shares, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining Equity Shares, if any, shall be allocated on a proportionate basis.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company will, after registering this Draft Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai Edition of Regional newspaper Navshakti (a widely circulated Marathi daily newspaper) (Marathi being the regional language of Maharashtra where our Registered Office is located). Our Company shall, in the pre-Issue advertisement state the Bid/Issue Opening Date, the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of under the SEBI ICDR Regulations.

**Allotment Advertisement**

Our Company, the BRLM and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in all editions of the English national newspaper Financial Express (a widely circulated English national daily newspaper), all editions of Hindi national newspaper Jansatta (a widely circulated Hindi national daily newspaper) and Mumbai Edition of Regional newspaper Navshakti, a widely circulated Marathi daily newspaper) (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members **of the Syndicate 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations**

**Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and will enter into an Underwriting Agreement with the Underwriters on or immediately after the finalization of the Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable law. The Prospectus will contain details of the Issue Price and underwriting arrangements and will be complete in all material respects.

**COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 3 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise as specified by the SEBI from the date of Issue Closing date.

**Depository arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated January 25, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.
- Tripartite agreement dated January 31, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.

**UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

i. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
ii. that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
iii. that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within threeWorking Days of the Bid/Issue Closing Date or such other time as may be prescribed;
iv. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
v. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
vi. that if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
vii. that if our Company, in consultation with the BRLM, withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter;
viii. Promoter's contribution, if any, shall be brought in advance before the Bid / Issue Opening Date;
ix. that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders
x. no further issue of Equity Shares shall be made until the Equity Shares Issued through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

**Utilization of Issue Proceeds**

Our Board certifies that:

1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;

2) details of all monies utilised out of the proceeds from the Issue shall be disclosed, and continue to be disclosed till all the time any part of the proceeds from the Issue remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised, or the form in which such unutilised monies have been invested; and

3) details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("FDI") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee Company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI 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.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (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, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the wholesale trading sector, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such Company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see ***"Issue Procedure"*** on page **209** of this Red Herring Prospectus. Each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Investor shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue/ Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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.**

**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 Issue 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 Investors. Our Company, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Investors are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares Issue for do not exceed the applicable limits

## CHAPTER IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**(Incorporated under the Companies Act, 2013)**

**ARTICLES OF ASSOCIATION**

**OF**

**VRUDDHI ENGINEERING WORKS LIMITED**

**(PUBLIC COMPANY LIMITED BY SHARES)**

**PRELIMINARY**

**1. APPLICABILITY OF TABLE "F"**

Subject as hereinafter provided and in so far as these presents do not modify or exclude them, the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

**1.1 DEFINITIONS AND INTERPRETATION**

**1.2** Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force. In these Articles:

**1.2.1** **"Act"** shall mean the Companies Act, 2013 including any statutory modification or amendment thereto or re-enactment thereof, together with the rules and regulations framed thereunder;

**1.2.2** **"Alternate Director"** shall have the meaning ascribed to it in Article 122 of these Articles;

**1.2.3** **"Articles"** shall mean the articles of association of the Company;

**1.2.4** **"Authorized Share Capital"** has the meaning assigned to it in Article 4 of these Articles;

**1.2.5** **"Beneficial Owner"** means a person whose name is recorded as such with a Depository;

**1.2.6** **"Board" or "Board of Directors"** shall mean the board of directors of the Company;

**1.2.7** **"Depositories Act"** shall mean and include the Depositories Act, 1996 and any statutory modifications or re-enactments thereof from time to time;

**1.2.8** **"Depository"** shall mean a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section12 of the Securities and Exchange Board of India Act, 1992;

**1.2.9** **"Director" means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;**

**1.2.10** **"General Meeting" means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;**

**1.2.11** **"Member"** means a member of the Company within the meaning of sub-Section (55) of Section 2 of the Act, as amended from time to time;

**1.2.12** **"Memorandum"** or **"Memorandum of Association"** shall mean the memorandum of association of the Company;

**1.2.13** **"Original Director"** shall have the meaning ascribed to it in Article 122 of these Articles;

**1.2.14** **"Share"** means a share in the Share Capital of the Company and includes stock;

**1.2.15** **"Share Capital"** means the share capital of the Company comprising equity shares and the preference shares as may be issued by the Company from time to time;

**1.2.16** **"Shareholder"** shall mean a Member of the Company; and

**1.2.17** **"Securities"** shall mean securities as defined under Section 2 (81) of the Act.

**1.3** The terms *"writing"* or *"written"* include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form;

**1.4** The headings hereto shall not affect the construction hereof.

**1.5** Notwithstanding anything contained in these Articles, any reference to a "*person*" in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).

**1.6** Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

**1.7** Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

**2. General Authority**

**2.1** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that Company cannot carry out any transaction unless the Company is so authorised by its Articles then in that case, the Articles hereby authorise and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.

**PUBLIC COMPANY**

**3.** The Company is a public company within the meaning of the Act.

**SHARE CAPITAL**

**4.** The Authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

**5.** 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 Shares or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with Section 53 of the Act, at a discount as they may, from time to time, think fit and proper, and may also issue and allot Shares in the capital of the Company in payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the conduct of its business and the Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

**6.** Where at any time, it is proposed to increase its subscribed capital by the issue/allotment of further Shares either out of the unissued capital or increased Share Capital then, such further Shares may be offered to:

**a.** persons who, at the date of offer, are holders of Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in (i) shall contain a statement of this right; and (iii) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

Nothing in sub-Article (a) (ii) above shall be deemed to extend the time within which the offer should be accepted; or to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

**b.** employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or

**c.** any persons, whether or not those persons include the persons referred to in (a) or (b) above, 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 Act, if a special resolution to this effect is passed by the Company in a General Meeting.

**7.** Nothing in Article 6 above shall apply to the increase of the subscribed capital of the 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 or to subscribe for 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 a General Meeting.

**8.** A further issue of Shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act. Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other person.

**9.** The Company may issue the following kinds of Shares in accordance with these Articles, the Act and other applicable laws:

**i.** Equity Share Capital:

**a.** with voting rights; and / or

**b.** with differential rights as to dividend, voting or otherwise; and

**ii.** Preference Share Capital

For the purposes of this Clause, equity share capital and preference share capital shall have the same meaning as ascribed to them under section 43 of the Companies Act, 2013.

**10.** Except as otherwise provided by the conditions of issue of the Shares or by these Articles, any capital raised by creation of new Shares shall be considered as part of the existing Share Capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and installments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.

**11.** Subject to the provisions of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by special resolution determine.

**12.** Subject to the provisions of the Act and these Articles, the Company shall have the power to issue preference share capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.

**13.** 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 the Act, 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. To every such separate general meeting of the holders of the Shares of that class, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

**14.** The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

**15.** Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

**16.** Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

**17.** Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act, the Company shall have the power to buy- back its own Shares or other securities, as it may consider necessary.

**18.** Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.

## COMMISSION

**19.** The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

**20.** The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules.

**21.** 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.

## SHARES AND SHARE CERTIFICATES

**22.** The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or debenture holders resident in that country.

**23.** Every Person whose name is entered as a Member in the register of members shall be entitled to receive:

**i.** one (1) or more certificates in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charge; or

**ii.** several certificates, if the Board so approves (upon paying such fee as the Board so determines), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.

**24.** Every certificate shall be under the seal, if any, and shall specify the number and distinctive numbers of the Shares to which it relates and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve.

**25.** In respect of any Share or Shares held jointly by several persons, the Company shall not be bou nd to issue more than 1 (one) certificate, and delivery of a certificate for a Share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Any Member of the Company shall have the right to sub-divide, split or consolidate the total number of Shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub -division, split or consolidation. Every certificate shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding ₹ 50 (Rupees fifty) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

**26.** If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, 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 Board deems adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Notwithstanding the foregoing provisions of this Article 26, the Board shall comply with applicable law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

**27.** Subject to the provisions of the Act, the provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures of the Company.

**28.** If any Share stands in the names of 2 (two) or more persons, the person first named in the Register of Members of the Company shall as regards voting at Board meetings and General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, installments and calls due in respect of such Shares and for all inciden ts thereof according to the Company's Articles.

## CALLS ON SHARES

**29.** Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call.

**30.** Each Member shall, subject to receiving at least 14 (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.

**31.** A call may be revoked or postponed at the discretion of the Board.

**32.** 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.

**33.** The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

**34.** 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 thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine.

**35.** The Board shall be at liberty to waive payment of any such interest wholly or in part.

**36.** Any sum which by the terms of the 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. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**37.** The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the member paying such sum in advance agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to any calls on debentures of the Company.

**38.** Where any calls for further Share Capital are made on the Shares of a class, such calls shall be made on a uniform basis on all Shares falling under that class. For the purposes of this Article, Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

**DEMATERIALIZATION OF SECURITIES**

**39.** Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its securities and offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and the regulations made thereunder.

**40.** Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a Beneficial Owner, re-materialize the securities, which are in dematerialized form.

**41.** Every person subscribing to the securities offered by the Company shall have the option to receive share 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 securities in the manner provided by the Depositories Act, 1996 and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificate of securities.

**42.** If a person opts to hold his securities with a Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

**43.** All securities held by a Depository shall be dematerialized and shall be in a fungible form.

**a.** Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of securities on behalf of the Beneficial Owner.

**b.** Save as otherwise provided in (a) above, the Depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.

**44.** 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 the owner of such securities. The Beneficial Owner of the securities shall be entitled to all the liabilities in respect of his securities which are held by a Depository.

**45.** Notwithstanding anything in the Act or the Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.

**46.** Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

**LIEN**

**47.** The Company shall have a first and paramount lien on every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all liens.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions o f this Article.

**48.** The Company's lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.

**49.** 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;

**b.** until the expiration of 14 (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.

**50.** Unless otherwise agreed, the registration of a transfer of Shares or debentures shall operate as a waiver of the Company's lien, if any, on such Shares or debentures.

**51.** The following shall apply to any sale of Shares referred to in Article 49 above:

**a.** The Board shall authorise some person to transfer the Shares sold to the purchaser thereof;

**b.** The purchaser shall be registered as the holder of the Shares that are the subject of any such transfer;

**c.** 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;

**d.** 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;

**e.** 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.

**52.** A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.

**TRANSFER OF SHARES**

**53.** The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of

transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. 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/ register of Beneficial holder in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

**54.** Subject to the provisions of the Act, these Articles and any other applicable law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 1 (one) month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.

**55.** Save as otherwise provided in the Act, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of shares, and is no such certificate is in existence, then the letter of allotment of the shares. Application for the registration of the transfer of a share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 weeks from the date of receipt of the notice, enter in the register the name of the transferee on the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 days previous notice in accordance with the Act or any other time period as may be specified by law, 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 30 days at any one time or for more than 45 days in the aggregate in any year.

**56.** No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

**TRANSMISSION OF SHARES**

**57.** On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles shall relea se the estate of the deceased joint holder from any liability in respect of any Share, which had been jointly held by him with other persons.

**58.** Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evide nce being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

**a.** to be registered as holder of the Share; or

**b.** to make such transfer of the Share as the deceased or insolvent Member could have made.

**59.** 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.

**60.** If the person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

**61.** If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.

**62.** All the limitations, restrictions and provisions contained in these Articles 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.

**63.** 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, e xcept 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 the General 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

## FORFEITURE OF SHARES

**64.** 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.

**65.** The notice issued under Article 64 shall:

**a.** name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

**b.** state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

**66.** If the requirement of any such notice as aforesaid is 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.

**67.** A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

**68.** At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**69.** 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 the person to the Company in respect of the Shares.

**70.** 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.

**71.** 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 person claiming to be entitled to the Share.

**72.** The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or otherwise disposed of.

**73.** The transferee shall there upon be registered as the holder of the Share.

**74.** The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference t o the forfeiture, sale or disposal of the Share.

**75.** The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

## ALTERATION OF SHARE CAPITAL

**76.** Subject to these Articles and the provisions of the Act, the Company may, from time to time, by ordinary resoluti on, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

**77.** Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:

**a.** consolidate or divide, all or any of the Share Capital into Shares of larger amount than its existing Shares;

**b.** convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;

**c.** sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or

**d.** cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

**78.** Subject to the provisions of the Act, the Company may, from t ime to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable law:

**a.** the Share Capital;

**b.** any capital redemption reserve account; or

**c.** any Share premium account.

**CONVERSION OF SHARES INTO STOCK**

**79.** Where Shares are converted into stock:

**a.** the holders of stock may transfer the same or any part thereof in the same manner as and subject to the same Article under which, the Shares from which the stock arose might before the conversion have been transferred, or as near there to as circumstances admit, *provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;

**b.** the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in Shares, have conferred that privilege or advantage; and

**c.** such of the Articles, as are applicable to paid-up Shares shall apply to stock and the words *"share"*, *"shareholder"* and *"Member"* in those Articles shall include "stock" and "stock holder" respectively.

**GENERAL MEETINGS**

**80.** An annual General Meeting shall be held each year within the period specified by the Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.

**81.** Any General Meeting other than an annual General Meeting shall be called extraordinary general meeting.

**82.** The Board may, whenever it thinks fit, call an extraordinary general meeting.

**83.** The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

**PROCEEDINGS AT GENERAL MEETINGS**

**84.** A General Meeting of the Company may be convened by giving not less than clear 21 (twenty -one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% (ninety -five percent) of the Members entitled to vote at such meeting.

Notice of every meeting shall be given to the members and to such other person or persons as required by and in accordance wi th Section 101 and 102 of the Act and it shall be served in the manner authorized by section 20 of the Act

**85.** Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

**86.** Notwithstanding anything contained elsewhere in these Articles, the Company:

**a.** shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable law required to be transacted only by means of postal ballot; and

**b.** may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Shareholders by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

**87.** Directors may attend and speak at General Meetings, whether or not they are Shareholders.

**88.** A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

**89.** The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.

**90.** If at any General Meeting no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minut es after the time appointed for holding the general meeting, the Members present shall choose one of the Members to be chairperson of such general meeting.

No business shall be discussed at any General Meeting except the election of the Chairperson whilst the Chair is vacant. If a poll is demanded on the election of the Chairperson it shall be taken forthwith in accordance with the provisions of the Act and these Articles.

**91.** The chairperson may, with the consent of Members at any general meeting at which a quorum is present, and shall, if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place.

**92.** In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Article 83 herein read with Section 100 of the Act shall stand cancelled.

**93.** In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.

**94.** No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.

**95.** 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 General Meeting.

**96.** The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.

**97.** If at the adjourned meeting to a quorum is not present within 30 (thirty) minutes from the time appointed for holdin g such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.

**98.** Any act or resolution which, under the provision of these Articles or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or these Articles specifically require such act to be done or such resolution passed by a special resolution or by a unanimous approval of all the Members.

**VOTES OF MEMBERS**

**99.** Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

**a.** on a show of hands, every Member present in person shall have 1 (one) vote; and

**b.** on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Share Capital.

**100.** The Chairman at any General Meeting shall not have a second or casting vote.

**101.** At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than ₹ 500,000 (Rupees five lakh) or such higher amount as may be prescribed has been paid up.

**102.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**103.** A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.

**104.** In case of joint holders, the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.

**105.** A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, 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.

**106.** No Member shall be entitled to exercise any voting rights either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

**107.** No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose.

**108.** Any such objection made in due time shall be referred to the chairperson of the General Meeting whose decision shall be final and conclusive.

**PROXY**

**109.** Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.

**110.** The proxy shall not be entitled to vote except on a poll.

**111.** 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 not less than 48 (forty eight) 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 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**112.** An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

**113.** 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 the adjourned meeting at which the proxy is used.

**DIRECTORS**

**114.** Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution.

**115.** The Subscribers to the Memorandum of Association are the first Directors of the Company.

**116.** Subject to the provisions of the Act, the Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.

**117.** Subject to Section 197 and other applicable provisions of the Act, the remuneration of Directors may be a fixed sum by way of monthly payment or a percentage of the net profits or partly by one way and partly by the other.

**118.** Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

**119.** In addition to the remuneration payable to them in pursuance of the Act, the Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Board or any committee thereof or General Meetings of the Company and any other expenses properly incurred by them in connection with the business of the Company. If authorized by the Board, the Directors may also be remunerated for any extra services done by them outside their ordinary duties as Directors, subject to the applicable provisions of the Act.

**120.** A Director shall not be required to hold any qualification shares in the Company.

**121.** Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional director provided that the number of the Directors and additional Directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional D irector shall retain his office only up to the date of the next annual General Meeting or last date on which the annual General Meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as Director of the Company.

**122.** In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an **"Original Director"**), subject to these Articles, the Board may appoint another Director (an **"Alternate Director"**) for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director's absence. No Person shall be appointed as an Alternate Director to an independent Director unless such Person is qualified to be appointed as an independent Director of the Company. Any person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India

**123.** The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of t he Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the Registrar and also place the fac t of such resignation in the report of Directors laid in the immediately following general meeting. Such Director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

The Company may, subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.

**124.** At any annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiri ng Director who is eligible for re-election or some other person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.

**125.** If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

## PROCEEDINGS OF THE BOARD

**126.** The Board may meet for the conduct of business and may adjourn and otherwise regulate its meetings, as it thinks fit.

**127.** A Director may and the manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

**128.** A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.

**129.** Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.

**130.** No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

**131.** If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

**132.** 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.

**133.** Subject to the provisions of the Act and the rules framed thereunder allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director. Each notice of a Board meeting shall:

**a.** specify a reasonably detailed agenda. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board;

**b.** be accompanied by any relevant supporting papers; and

**c.** be sent by: (i) courier if sent to an address in India; or (ii) by e-mail or facsimile transmission if sent to an address outside India.

**134.** Save as otherwise expressly provided in the Act or these Articles, questions arising at any meeting of the Board shall be decided by a majority of votes.

**135.** The Directors may from time to time elect a chairman who shall preside at the meetings of the Directors and determine the period for which he is to hold office. If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may ch oose one of their number to be the chairperson of the meeting.

**136.** The chairperson of the Board, if any, shall not have any second or casting vote.

**137.** Subject to Act and the rules framed thereunder, the Board may transact any business, by circulating the resolu tion proposed in writing to all the Directors, together with the necessary explanatory papers, if any, to all Directors, and such written resolution shall be deemed to have been validly passed and shall take effect if approved by a majority of Directors en titled to vote.

**138.** Subject to provisions of the Act, the Board may delegate any of its powers to committees consisting of such Director or Directors as it thinks fit.

**139.** 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.

**140.** A committee may elect a chairperson of its meetings.

**141.** It no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of themselves to be the chairperson of the meeting.

**142.** A committee may meet and adjourn as it thinks fit.

**143.** Questions arising at any meeting of a committee shall be determined by a majority of votes of the Direct ors present. The chairperson of the committee, if any, shall not have any second or casting vote.

**144.** Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

**145.** Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established provided that every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

**146.** 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.

**147.** Save as otherwise expressly provided in the Act, a resolution in writing, s igned by all the Directors or of a committee of the Board, 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.

**148.** 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.

**149.** Minutes of each meeting of the Board shall be circulated to all Directors.

## POWERS OF DIRECTORS

**150.** The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

**151.** Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such pow ers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandu m of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

**152.** The Board of Directors shall, or shall authorize persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable law, as may be required from time to time.

**153.** The Directors shall have the power to open and close bank accounts and operate the same generally, to sign cheque s on behalf of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorize any other person or persons to exercise such powers.

## MANAGING/WHOLE-TIME DIRECTORS

**154.** Subject to the provisions of the Act, the Board may from time to time appoint one or more Directors to be the Managing Director/ whole-time Director of the Company on such remuneration and terms and conditions as the Board may think fit, and for a fixed term or without any limitation as to the period for which he is to hold such office and from time to time and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon the Managing Director / whole -time

Director, for the time being, such of the powers exercisable hereunder by the Board, as it may think fit, and may confer such powers, for such time and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such power, either collatera lly with or to the exclusion of, and in substitution for any of the powers of the Board in that behalf any may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

**155.** Subject to the provisions of any contract between him and the Company, the Managing Director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and shall ipso facto and immediately cease to be the Managing Director if he ceases to hold the office of Director for any cause.

**156.** Subject to the provisions of the Act, the Managing Director/Whole-time Director shall, in addition to the remuneration payable to him as a Director of the Company, receive such remuneration as may be sanctioned by the Board from time to time and such remuneration may be fixed by way of salary or commission or participation in profit, or perquisites and benefits or by some or all of these modes.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

**157.** Subject to the provisions of the Act, 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.

**158.** A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Subject to the provisions of the Act, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing director or chief executive officer at the same time.

**159.** Any provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**BORROWING POWERS**

**160.** Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advanc es at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled cap ital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

**161.** The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.

**162.** Subject to the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

**DIVIDENDS AND RESERVES**

**163.** The Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.

**164.** Subject to the provisions of the Act, 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.

**165.** 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. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**166.** Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be decl ared 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.

**167.** No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Article s as paid on the Share.

**168.** 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.

**169.** 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.

**170.** Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the hold er 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 of the Company, or to such person and to such address as the holder or joint holders may in writing direct.

**171.** Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**172.** Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

**173.** Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

**174.** No dividend shall bear interest against the Company.

**175.** Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

**176.** The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend of Vruddhi Engineering Works Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.

## CAPITALISATION OF PROFITS

**177.** The Company in a 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 Article 178 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

**178.** The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 179, 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 a s fully paid up, to and amongst such Members in the proportions aforesaid; or

**c.** Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.

**d.** A securities premium account and a capital redemption reserve account may, for the purposes of this Article, 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 Article.

**179.** 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 do all acts and things required to give effect thereto.

**180.** The Board shall have power to:

**a.** make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the cas e of Shares or debentures becoming distributable in fractions; and

**b.** 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.

**181.** Any agreement made under such authority shall be effective and binding on such Members.

## INDEMNITY

**182.** Subject to the provisions of the Act, the Directors, secretary and the other officers for the time being of the Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs, executors and administrators, respectively, shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office or trust except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own willful neglect or default respectively and no such officer or trustees shall be answerable for the acts, receipts, neglects or defaults, of any other officer or trustees or joining in any receipts for the sake of confirming or for the solvency or honesty of any bankers or other persons with whom any money or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency or deficiency of any securities upon which any money of the Company shall be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen by the willful, neglect or default of such officer or trustee.

**183.** The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

## ACCOUNTS

**184.** Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected bot h at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the Registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

**185.** 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 or books or documents of the Company, or any of them, shall be open to inspection by the Members not being Directors subject to provisions of the Act and these Articles.

**186.** 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 authorized by the Board or by the Company in General Meeting.

**187.** All the aforesaid books shall give a true and fair view of the Company's affairs with respect to the matters aforesaid and explain its transactions.

**188.** The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good ord er.

## AUDIT

**189.** The statutory auditors of the company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act.

**190.** The Company shall at annual General Meeting appoint/reappoint the appointment of the statutory auditor to hold office, in the manner and for such period as prescribed under Section 139 of the Act.

**191.** The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Section 139 and 140 of the Act and the rules framed thereunder.

**192.** The remuneration of the auditors shall be fixed by the Company in the annual General Meeting or in such a manner as the Company in the annual General Meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first or any auditor appointed by the Directors may be fixed by the Directors.

**193.** The Company shall also appoint a reputed accounting firm as the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

## SECRECY

**194.** Subject to the provisions of the Act, no Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors, Managing Directors or Secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and which in the opinion of the Directors or the Managing Direct or will be inexpedient in the collective interests of the Members of the Company to communicate to the public or any Member.

**195.** Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors 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 contained.

## WINDING UP

**196.** Subject to the provisions of the Act, in the event of winding up of the Company whether voluntarily or otherwise, the liquidators 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, all or any of the assets of the Company whether they shall consist of property of the same kind or not.

**197.** 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.

**198.** The liquidator may, with the like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other securities whereon there is any liability.

## DOCUMENTS AND SERVICE OF DOCUMENTS

**199.** A document (which expression of this purpose shall be deemed to include and shall include any summon, notice, requisition, to or in the winding up of the Company) may be served or sent by the Company on or to any Member in the manner prescribed by Section 20 of the Act.

**200.** Every person, who by operation of law, transfer or by other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such shares which, previously to his/her name and address being entered on the register shall have been duly served on or sent to the person from whom he/she derives his/her title to share.

**201.** Any notice to be given by the Company shall be signed by such director or secretary or officer as the Board may appoint. The signature on any notice to be given by the Company may be written or printed or lithograped or be affixed by any other mechanical means.

## SECTION X – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located Office No 603, 6th Floor, Cello - The Plaza, V P Road, Vile Parle West-400056, Mumbai, Maharashtra, India, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of this Red Herring Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

**A) Material contracts for the Issue**

1. Issue Agreement dated July 10, 2023 between our Company and the Book Running Lead Manager.
2. Registrar Agreement dated July 10, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated October 31, 2023 amongst our Company, the Underwriter and the Book Running Lead Manager.
4. Market Making Agreement dated October 31, 2023 amongst our Company, Market Maker and the Book Running Lead Manager.
5. Bankers to the Issue Agreement dated January 08, 2024 amongst our Company, the Book Running Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated January 31, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
7. Tripartite agreement dated January 25, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.

**B) Material documents for the Issue**

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated July 10, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated July 10, 2023 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Book Running Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company, Underwriter to the Issue, Market maker to the Issue and Banker to the Issue to include their names in this Red Herring Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated February 23, 2024 on Restated Financial Statements of our Company for the period ended September 30, 2023, for the financial years ended March 31,2023, for the financial year ended March 31, 2022 and for the financial year ended March 31, 2021.
6. The Report dated February 28, 2024 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Red Herring Prospectus.
7. Copy of approval from BSE Limited vide letter dated November 10, 2023 to use the name of BSE Limited in this offer document for listing of Equity Shares on SME Platform of BSE Limited.
8. Due diligence certificate shall be submitted to SEBI by Book Running Lead Manager to the Issue.
9. Certificate on KPI's issued by Peer Review Auditor dated March 16, 2024.
10. Board Resolution dated July 29, 2023, March 16, 2024 and [●], 2024 for approval of this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

**SIGNED BY ALL THE DIRECTORS OF OUR COMPANY**

| NAME OF DIRECTOR AND DIN | DESIGNATION | SIGNATURE |
|---|---|---|
| **BINDI KUNAL MEHTA**<br>**DIN:** 08936998 | Chairman & Managing Director | SD/- |
| **VEDANT MUKESH MEHTA**<br>**DIN:** 08936999 | Whole Time Director | SD/- |
| **VARSHA MUKESH MEHTA**<br>**DIN:** 09155275 | Executive Director | SD/- |
| **ANKITA ROHAN KOTHARI**<br>**DIN:** 07335122 | Non-Executive Independent Director | SD/- |
| **SHIVANI KUMARI JOSHI**<br>**DIN:** 09784023 | Non-Executive Independent Director | SD/- |
| **KARAN MANOJ DOSHI**<br>**DIN:** 08156212 | Non-Executive Independent Director | SD/- |

**SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY OF OUR COMPANY**

| | |
|---|---|
| **HIRAL RUSHANG GANDHI**<br>Chief Financial Officer<br>**PAN:** JCSPS5825L | SD/- |
| **KISHORI JAYSINGH SODHA**<br>Company Secretary and Compliance Officer<br>**PAN:** ASOPP8998G | SD/- |

**Date:** March 16, 2024

**Place:** Mumbai