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**H.M. ELECTRO MECH LIMITED**

**Corporate Identification Number: U45500GJ2018PLC102018**

Our Company was originally established in Year of 2003 as a partnership firm named as ‘M/s H.M. Engineers’ under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as “H. M. Electro Mech Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018. For details of change in registered office of our Company, please refer to chapter titled “History and Corporate Structure” beginning on page no. 139 of this Draft Red Herring Prospectus

**Registered Office:** 305, Ashram Avenue, B/H. Kochrab Ashram, Paldi, Ahmedabad, Gujarat, 380006, India

**Website:** www.hmelectromech.com; **E-Mail:** cs@hmelectromech.com; **Telephone No:** +91 079 40092538

**Company Secretary and Compliance Officer: Chetankumar Hiralal Solanki**

**PROMOTERS OF OUR COMPANY: DIPAK PADMAKANT PANDYA, MAHENDRA RAMABHAI PATEL, VARSHA MAHENDRA PATEL, MITA DIPAK PANDYA AND HARSHALKUMAR MAHENDRAKUMAR PATEL**

**ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS: NOTICE TO THE INVESTORS (“THE ADDENDUM”)**

**INITIAL PUBLIC ISSUE OF UP TO 37,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF H.M. ELECTRO MECH LIMITED (“HMEML” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] %AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER. AND AHMEDABAD EDITION OF [●] REGIONAL NEWSPAPER (GUJRATI REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED “BSE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 204 OF THIS DRAFT RED HERRING PROSPECTUS.**

Potential Bidders may note the following:

1. Under the “Cover Page” of the Draft Red Herring Prospectus, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 1 of the Addendum to Draft Red Herring Prospectus.
2. Under the heading titled “Section I – Definitions And Abbreviations” beginning from page 1 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added and/or delated as provided beginning on page 2 of the Addendum to Draft Red Herring Prospectus.
3. Under the heading titled “Section II - Summary of Draft Red Herring Prospectus” beginning from page 17 of the Draft Red

Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added and/or delated as provided beginning on page 3 of the Addendum to Draft Red Herring Prospectus.

4. Under the heading titled “*Section III - Risk Factor*” beginning from page 23 of the Draft Red Herring Prospectus and accordingly, certain risk factors shall be amended and/ or updated and/ or added and/or delated, as provided beginning on page 5 of the Addendum to Draft Red Herring Prospectus.
5. Under the heading titled “*Section VI - Capital Structure*” beginning from page 55 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added and/or delated, as provided beginning on page 11 of the Addendum to Draft Red Herring Prospectus.
6. Under the heading titled “*Objects of the Issue*” beginning from page 67 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 14 of the Addendum to Draft Red Herring Prospectus.
7. Under the heading titled “*Business Overview*” beginning from page 100 off the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 15 of the Addendum to Draft Red Herring Prospectus.
8. Under the heading titled “*History And Corporate Structure*” beginning from page 139 off the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 30 of the Addendum to Draft Red Herring Prospectus.
9. Under the heading titled “*Our Management*” beginning from page 176 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 31 of the Addendum to Draft Red Herring Prospectus.
10. Under the heading titled “*Our Promoters and Promoters Group*” beginning from page 157 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 32 of the Addendum to Draft Red Herring Prospectus
11. Under the heading titled “*Restated Financial Information*” beginning from page 164 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 39 of the Addendum to Draft Red Herring Prospectus
12. Under the heading titled “*Government Approvals*” beginning from page 184 of the Draft Red Herring Prospectus and accordingly, certain information shall be amended and/ or updated and/ or added, as provided beginning on page 40 of the Addendum to Draft Red Herring Prospectus.

The above addition and /or amendments and/or are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus, as and when filed with the ROC, the SEBI and the Stock Exchange. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

The Addendum is filed with BSE and shall be made the respective websites BSE i.e. [www.bseindia.com](http://www.bseindia.com) ; Book Running Lead Manager at [www.beelinemb.com](http://www.beelinemb.com) and the Issuer Company at: [www.hmelectromech.com](http://www.hmelectromech.com)

All capitalized terms used in the Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**ON BEHALF OF H.M. ELECTRO MECH LIMITED**

**Sd/-**

Place: Ahmedabad

Date: November 06, 2024

**Mr. Dipak Padmakant Pandya**  
**Chairman & Managing Director**

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
	
<p><b>BEELINE CAPITAL ADVISORS PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INM000012917  <b>Address:</b> B 1311-1314 Thirteenth Floor Shilp Corporate Park, Rajpath Rangoli Road Thaltej Ahmedabad Gujarat 380054 India.  <b>Telephone Number:</b> +91 79 4918 5784  <b>Email Id:</b> mb@beelinemb.com  <b>Investors Grievance Id:</b> ig@beelinemb.com  <b>Website:</b> www.beelinemb.com  <b>Contact Person:</b> Mr. Nikhil Shah  <b>CIN:</b> U67190GJ2020PTC114322</p>	<p><b>CAMEO CORPORATE SERVICES LIMITED</b>  <b>SEBI Registration Number:</b> INR000003753  <b>Address:</b> "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India  <b>Tel. Number:</b> +91-44-4002 0700 / 2846 0390  <b>Email Id:</b> <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a>  <b>Investors Grievance Id:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>  <b>Website:</b> <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a>  <b>Contact Person:</b> Ms. K. Sreepriya – Vice President &amp; Company Secretary  <b>CIN:</b> U67120TN1998PLC041613</p>

*H.M. Electro Mech Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has been filed the Draft Red Herring Prospectus dated June 28, 2024 with BSE. The Draft Red Herring Prospectus and the Addendum to the Draft Red Herring Prospectus shall be available on the respective websites BSE i.e. [www.bseindia.com](http://www.bseindia.com); Book Running Lead Manager at [www.beelinemb.com](http://www.beelinemb.com) and the Issuer Company at: [www.hmelectromech.com](http://www.hmelectromech.com). Potential Applicants/Bidders should note that investment in equity shares involves a high degree of risk and details relating to such risk, please see the section entitled "Risk Factors" beginning on page 23 of the Draft Red Herring Prospectus. Potential Applicants/Bidders should not reply on the Draft Red Herring Prospectus filed with BSE for making any investment decision.*

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## COVER PAGES

Name of Harshalkumar Mahendrakumar Patel has been included as Promoter on both cover pages.

Below is the revised text:

***“PROMOTERS OF OUR COMPANY: DIPAK PADMAKANT PANDYA, MAHENDRA RAMABHAI PATEL, VARSHA MAHENDRA PATEL, MITA DIPAK PANDYA AND HARSHALKUMAR MAHENDRAKUMAR PATEL.”***

## SECTION I – DEFINITIONS AND ABBREVIATIONS

### GENERAL AND COMPANY RELATED TERMS

Our Promoters	Dipak Padmakant Pandya, Mahendra Ramabhai Patel, Varsha Mahendra Patel, Mita Dipak Pandya and <u>Harshalkumar Mahendrakumar Patel</u>
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### DEFINIATION AND ABBREVIATIONS

Key Personnel	Key Personnel are the executive person who are heading the projects/Project sites of the company
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## SECTION II - SUMMARY OF DRAFT RED HERRING PROSPECTUS

### GLOBAL ECONOMY

The global engineering services market is anticipated to witness substantial growth, expanding from \$1,147 billion in 2023 to \$1,188.41 billion in 2024, reflecting a compound annual growth rate (CAGR) of 3.6%. The growth in the historic period can be attributed to increased demand for industrial robots, a rise in industrial automation and implementation of industry 4.0 factors that negatively affect growth in the historic period were the lack of quality control and safety concerns of engineering firms.

The engineering services market is expected to benefit from steady economic growth in developed and developing countries at a CAGR of 3.6%. The growth in the forecast period can be attributed to increasing digitization, rising demand for IoT (Internet to things) solutions for smart manufacturing, rising prominence of robots in the construction industry, government investments in aviation industry, continuous development of smart cities and a rapid adoption of smart technologies.

### INDIAN ECONOMY

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

The Indian industrial fasteners market is expected to reach a value of Rs. 460 billion by 2023 expanding at a CAGR of ~9.6% from 2018. India steam boiler systems market size is expected to reach nearly US\$ 22.56 billion by 2027 with the CAGR of 4.63% during the forecast period. The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025. The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25. Indian switchgear market is projected to grow at a CAGR of over 15% through 2023, on account of rising development across residential, commercial and industrial end use sectors.

India material handling equipment market share is anticipated to grow significantly from 2017-2024 due to an attractive economic landscape, and significant demand for goods movement. Material handling equipment have four categories: storage and handling equipment, engineered systems, industrial trucks and bulk material handling. The Indian material handling equipment sector has grown at a CAGR of 10% between 2016-2020.

### NAME OF PROMOTERS

Promoters of Our Company are Dipak Padmakant Pandya, Mahendra Ramabhai Patel, Varsha Mahendra Patel, Mita Dipak Pandya and Harshalkumar Mahendrakumar Patel. For detailed information on our Promoter and Promoter's Group, please refer to Chapter titled "Our Promoter and Promoter's Group" on page no. 157 of this Draft Red Herring Prospectus.

### SHAREHOLDING

The shareholding pattern of our Promoters and Promoter's Group before the Issue is as under:

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mahendra Ramabhai Patel	2500000	25.00	2500000	[●]
2.	Dipak Padmakant Pandya	2500000	25.00	2500000	[●]
3.	Mita Dipak Pandya	2475000	24.75	2475000	[●]
4.	Varsha Mahendra Patel	2475000	24.75	2475000	[●]
5.	<u>Harshalkumar Mahendrakumar Patel</u>	10000	0.10	10000	[●]
<b>Total – A</b>		<b><u>9960000</u></b> <b><u>9950000</u></b>	<b><u>99.60</u></b> <b><u>99.50</u></b>	<b><u>9960000</u></b> <b><u>9950000</u></b>	[●]
<b>Promoter's Group</b>					

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
6.	Suhani Swapnil Patel	20000	0.20	20000	[•]
7.	<del>Harshalkumar Mahendrakumar Patel</del>	<del>10000</del>	<del>0.10</del>	<del>10000</del>	<del>[•]</del>
8.	Pinal Mahendra Patel	10000	0.10	10000	[•]
9.	Twinkal Sagarkumar Paneliya	10000	0.10	10000	[•]
<b>Total – B</b>		<b><u>40000</u></b> <b><u>50000</u></b>	<b><u>0.40</u></b> <b><u>0.50</u></b>	<b><u>40000</u></b> <b><u>50000</u></b>	<b>[•]</b>
<b>Public</b>					
10.	Public in IPO	-	-	[•]	[•]
<b>Total-C</b>		-	-	[•]	[•]
<b>Total (A+B+C)</b>		<b>10000000</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>

\*Rounded off

#### COST OF ACQUISITION & WEIGHTED AVERAGE COST

Weighted average price at which the Equity Shares were acquired by our Promoter in Last One Year:

Sr. No.	Name of Promoter	No of Equity Shares Acquired during the last one year	Weighted Average Price* (in ₹ per equity share)
1.	Mahendra Ramabhai Patel	-	Nil
2.	Dipak Padmakant Pandya	-	Nil
3.	Mita Dipak Pandya	-	Nil
4.	Varsha Mahendra Patel	-	Nil
5.	<u>Harshalkumar Mahendrakumar Patel</u>	-	<u>Nil</u>

#### AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTER

Sr. No.	Name of Promoter	No of Equity Shares Acquired during the last one year	Weighted Average Price* (in ₹ per equity share)
1.	Mahendra Ramabhai Patel	2500000	10
2.	Dipak Padmakant Pandya	2500000	10
3.	Mita Dipak Pandya	2475000	10
4.	Varsha Mahendra Patel	2475000	10
5.	<u>Harshalkumar Mahendrakumar Patel</u>	<u>10000</u>	<u>10</u>



### SECTION III - RISK FACTOR

**a. Existing Risk Factor 14 has been shifted to Risk Factor 1:**

**14—1. Majority of our Revenue from Operation (RFO) is generated from state of Gujarat and Rajasthan. Any adverse development affecting our operations in this region could have an adverse impact on our business, financial condition and results of operations**

We derive 79.60% and 18.53% of our revenue from State of Gujarat and Rajasthan respectively for the period ended December 31, 2023. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in these regions to expand our operations in other parts of India.

Revenue from projects undertaken in the state of Gujarat and Rajasthan for the past three financial years and for the period ended December 31, 2023 is mentioned in the table below:

Particulars	For the Financial Year/ period ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO
Revenue from Gujarat	5,990.91	79.60	7,963.89	78.47	4,689.35	75.83	3,987.48	84.90
Revenue from Rajasthan	1,394.85	18.53	1,427.20	14.06	422.68	6.83	337.46	7.18
Others	140.91	1.87	757.61	7.47	1,072.29	17.34	371.95	7.92
<b>Total Revenue from operations</b>	<b>7,526.67</b>	<b>100.00</b>	<b>10,148.70</b>	<b>100.00</b>	<b>6,184.32</b>	<b>100.00</b>	<b>4,696.89</b>	<b>100.00</b>

The concentration of our business in Gujarat and Rajasthan subjects us to various risks, including but not limited to:

- Regional slowdown in activities in the state(s);
- vulnerability to change of policies, laws and regulations or the political and economic environment of Gujarat and Rajasthan;
- constraint on our ability to diversify across state(s); and

While we strive to geographically diversify our project portfolio and reduce our concentration risk, we cannot assure you that developments in Gujarat and Rajasthan will not impact our business. If we are unable to mitigate the concentration risk, we may not be able to develop our business effectively and our business, financial condition and results of operation could be adversely affected.

**b. Existing Risk Factor 5 has been shifted to Risk Factor 2**

**2. We do not own the place where our registered office is situated. In case of non-renewal of rent agreements/ cancellation of the NOCs given so far or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.**

Our registered office, from where we run our operations has been by us on No objection from the owners of the property on No rent basis. In the event of termination/non-renewal of said NOC, we may be required to vacate the said property which may cause disruption in our operations, which could temporarily impact on our business operations until we get suitable alternative premises. For further details about the properties being used by the company, please refer to the section titled “Business Overview” beginning on page 100 of this Draft Red Herring Prospectus.

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

**c. Existing Risk Factor 23 has been shifted to Risk Factor 4**

**23. 4. Our Company has reported certain negative cash flows from its operating activity, financing activity and investing activity, details of which are given below. Sustained negative cash flow could impact our growth and business**

*We have experienced negative cash flows in the past which have been set out below:*

(Amount in ₹ Lakhs)

Particulars	For the Period / Financial Year Ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net cash flows generated/ (used) from operating activities	(482.65)	(414.21)	503.87	(47.95)
Net cash flows generated/ (used in) investing activities	(402.87)	(138.13)	(308.90)	156.14
Net cash flows generated/ (used in)/generated from financing activities	718.00	544.21	(136.61)	(41.97)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(167.52)</b>	<b>(8.13)</b>	<b>58.37</b>	<b>66.22</b>


Cash flows of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. Negative cash flow is mainly attributed by increasing working capital requirements of the company with increase in revenue from operation.

For further details, see section titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 164 and 166, respectively of this Draft Red Herring Prospectus.

**d. Existing Risk Factor 25 has been shifted to Risk Factor 10**

**25 10 . We have not obtained the registration of our trademarks used in our businesses and our inability to obtain or maintain these registrations may adversely affect our competitive business position.**



Our Corporate logo “” is not yet registered but we have filed application for the logo of our Company with the Trade Marks Registry at Ahmedabad, for registration under class 37 of the Indian Trademarks Rules, 2002 bearing application no. 6255010 dated January 10, 2024. For further details, please refer “**Business Overview– Intellectual Property**” on page 100 of this Draft Red Herring Prospectus. The application is currently pending registration and under objection. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business.

Further, if any of our unregistered trademarks are registered in favor of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If our application is objected to, we will not have the right to use this trademark or prevent others from using this trademark or its variations. Our inability to obtain or maintain this trademark in our business thus could adversely affect our reputation, goodwill, business, prospectus and results of operations.

**e. Existing Risk Factor 29 has been shifted to Risk Factor 14**

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

We constantly evaluate the risks involved in the business at the project site, in an effort to be sufficiently covered for all known risks. Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. We have taken Bharat Laghu Udyam Suraksha Policy which covers for physical loss or damage, Group personal accident

insurance, Keymen insurance policies for all our core team members except for the Managing Director of the company. We have also taken Employee Compensation Insurance policy for our employees, vehicle insurance policies to insure our vehicles, fire insurance for properties which are mortgaged with our bankers against various credit facilities availed by our company from them. Further we have also taken insurance for our different completed projects of pumping machinery at which we are providing after sale maintenance services though we do not have Contractor All Risk Insurance Policy which offers comprehensive and adequate protection against loss or damage in respect of contract works, construction plant and equipment.

Though we have taken all the insurance cover as to the best of our understanding is required to cover the risks to our business, however, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

Insurance Expense as a percentage of Total Assets on restated basis for the period ended December 31, 2023, March 31, 2023, March 31, 2022, March 31, 2021 is as follows:

Particulars	(₹ in lakhs except mentioned otherwise)			
	For the Period / Financial Year Ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Insurance Expense (A)	20.27	57.82	113.36	124.37
Total Assets (B)	6,393.44	6,408.02	4,434.24	3,160.35
<b>% of Total Assets</b>	<b>0.32%</b>	<b>0.90%</b>	<b>2.56%</b>	<b>3.94%</b>

**f. Existing Risk Factor 30 has been shifted to Risk Factor 15**

**30. 15. We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations**

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on December 31, 2023 our total outstanding indebtedness was ₹ 1,447.63 Lakhs. Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a shorter notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “**Business Overview**” **Statement of Financial Indebtedness**” on page 100 of this Draft Red Herring Prospectus.

**g. Our Promoters and Directors have provided personal guarantees for financing facilities availed by our Company and may in the future provide additional guarantees and any failure or default by our Company to repay such facilities in accordance with the terms and conditions of the financing agreements could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.**

Our Promoters and Directors have personally guaranteed the repayment of certain loan facilities taken by us. Our Promoters may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters and Directors may be invoked, which could negatively impact the reputation and net worth of our Promoters and Directors. In addition, our guarantors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their

shareholding in our Company.

Furthermore, in the event that our Promoters and Directors withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

For further details please refer page No. RFS - 15 of Draft Red Herring Prospectus – Note No. I.3.1: Additional information to secured Long term Borrowings and Page No. RFS - 17 of Draft Red Herring Prospectus – Note No. I.5.1: Additional information to loan repayable on demand under chapter “Restated Financial Statement”.

**h. Existing Risk Factor 34 has been shifted to Risk Factor 20**

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of Working capital loan and term loan availed by us from Bank. We have been extended such loan against hypothecation of our Company’s property and current assets. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, please refer to chapter “Business Overview-Statement of Financial Indebtedness” beginning on page 100 of this Draft Red Herring Prospectus.

**i. Existing Risk Factor 21 has been shifted to Risk Factor 13**

***21- 13. Our Company has delayed in compliance of certain statutory provisions under Companies Act. Such delayed compliances/ lapses may attract penalties.***

Our company has missed to comply with certain statutory provisions in the past within due dates including but not limited to the details as mentioned in this risk factor There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which includes late filing of Form MGT-14 for borrowings as approved by Board of Directors under Sec 179 (3) read with Section 117 of the Companies Act, 2013, for payment of remuneration to directors, improper re-appointment of Managing Director and Whole-time Director 2 years before completion of their earlier tenure. Though at present, this error has been rectified by the company and the present MD and whole-time director are validly and properly appointed.

Further there have been clerical errors in the annual returns filed by our Company with the ROC in past years, for instance, the Annual returns filed for the FY 2020-21 and 2021-22 have been filed with erroneous information with respect to opening values of number of shares in demat and those in physical and Annual return of FY 2020-21 regarding remuneration paid to Directors of the Company.

Although, no show cause notice in respect of the above stated non-compliance has been received by the Company till date, any penalty imposed for such non-compliance in future by the any regulatory authority could affect our financial conditions to that extent.

**j. Under RF 10, kindly add table stating Top 1,3,5, 10 suppliers along with %**

***10. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.***

Our business depends on the availability of reasonably priced, high quality raw materials in the quantities required by us and we depend on a few suppliers for procurement of raw materials, required for completion of Project. Top ten suppliers of our company for period/year ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 contributed for 71.07%, 69.57%, 54.34% and 47.27%, respectively of our purchases.

Particulars	% contribution to Purchases			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Supplier	<u>21.93%</u>	<u>24.69%</u>	<u>18.12%</u>	<u>10.58%</u>
Top 3 Suppliers	<u>44.23%</u>	<u>47.03%</u>	<u>31.85%</u>	<u>22.45%</u>
Top 5 Suppliers	<u>55.13%</u>	<u>57.86%</u>	<u>39.50%</u>	<u>31.47%</u>
Top 10 Suppliers	<u>71.07%</u>	<u>69.57%</u>	<u>54.34%</u>	<u>47.27%</u>

We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the completion of project, could have a material adverse effect on our business. Further, any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our execution schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

**k. Under RF 31, kindly add details of such personal guarantees**

***31. Our Promoters and Directors have provided personal guarantees for financing facilities availed by our Company and may in the future provide additional guarantees and any failure or default by our Company to repay such facilities in accordance with the terms and conditions of the financing agreements could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.***

Our Promoters and Directors have personally guaranteed the repayment of certain loan facilities taken by us. Our Promoters may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters and Directors may be invoked, which could negatively impact the reputation and net worth of our Promoters and Directors. In addition, our guarantors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company.

Furthermore, in the event that our Promoters and Directors withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

*For further details please refer page No. RFS - 15 of Draft Red Herring Prospectus – Note No. I.3.1: Additional information to secured Long term Borrowings and Page No. RFS - 17 of Draft Red Herring Prospectus – Note No. I.5.1: Additional information to loan repayable on demand under chapter “Restated Financial Statement”.*

**l. Kindly Remove RF 51 and provide confirmation of the same**

**~~*51. The requirements of being a public listed company may strain our resources and impose additional requirements.*~~**

~~With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange. In case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.~~

**PROMINENT NOTES**

**5. Average cost of acquisition of equity shares by our promoters is as follows:**

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)
1.	Dipak Padmakant Pandya	25,00,000	10.00

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)
2.	Mahendra Ramabhai Patel	25,00,000	10.00
3.	Mita Dipak Pandya	24,75,000	10.00
4.	Varsha Mahendra Patel	24,75,000	10.00
5.	<u>Harshalkumar Mahendrakumar Patel</u>	<u>10000</u>	<u>10</u>

For further details, please refer to chapter titled “*Capital Structure*” beginning on page no. 55 of this Draft Red Herring Prospectus.

## SECTION VI - CAPITAL STRUCTURE

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

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mahendra Ramabhai Patel	2500000	25.00	2500000	[•]
2.	Dipak Padmakant Pandya	2500000	25.00	2500000	[•]
3.	Mita Dipak Pandya	2475000	24.75	2475000	[•]
4.	Varsha Mahendra Patel	2475000	24.75	2475000	[•]
5.	<u>Harshalkumar Mahendrakumar Patel</u>	<u>10000</u>	<u>0.10</u>	<u>10000</u>	<u>[•]</u>
<b>Total – A</b>		<b><u>9960000</u></b> <b><u>9950000</u></b>	<b><u>99.60</u></b> <b><u>99.50</u></b>	<b><u>9960000</u></b> <b><u>9950000</u></b>	<b>[•]</b>
<b>Promoter's Group</b>					
6.	Suhani Swapnil Patel	20000	0.20	20000	[•]
7.	<del>Harshalkumar Mahendrakumar Patel</del>	<del>10000</del>	<del>0.10</del>	<del>10000</del>	<del>[•]</del>
8.	Pinal Mahendra Patel	10000	0.10	10000	[•]
9.	Twinkal Sagarkumar Paneliya	10000	0.10	10000	[•]
<b>Total – B</b>		<b><u>40000</u></b> <b><u>50000</u></b>	<b><u>0.40</u></b> <b><u>0.50</u></b>	<b><u>40000</u></b> <b><u>50000</u></b>	<b>[•]</b>
<b>Public</b>					
10.	Public in IPO	-	-	[•]	[•]
<b>Total-C</b>		-	-	[•]	[•]
<b>Total (A+B+C)</b>		<b>10000000</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>

### 12. Shareholding of the Promoters of our Company:

As on the date of the Draft Red Herring Prospectus, our Promoters Mahendra Ramabhai Patel, Dipak Padmakant Pandya, Mita Dipak Pandya, Varsha Mahendra Patel and Harshalkumar Mahendrakumar Patel hold 99,60,000 Equity Shares representing 99.60% of the pre-issue paid-up equity share capital of the company. The build-up of equity shareholding of Promoters of our Company is as follows:

<b>Mahendra Ramabhai Patel</b>								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre-Issue Capital	% of post issue Capital
April 24, 2018	Subscription to Memorandum of Association	2500000	2500000	10	10	25000000	25.00	[•]
<b>Total</b>		<b>25,00,000</b>				<b>2,50,00,000</b>	<b>25.00</b>	<b>[•]</b>

<b>Dipak Padmakant Pandya</b>								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre-Issue Capital	% of post issue Capital
April 24, 2018	Subscription to Memorandum of Association	2500000	2500000	10	10	25000000	25.00	[•]

<b>Dipak Padmakant Pandya</b>								
<b>Date of Allotment / Transfer</b>	<b>Nature of Issue Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Cumulative No. of Equity Shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Total Consideration Paid (in ₹)</b>	<b>% of Pre-Issue Capital</b>	<b>% of post issue Capital</b>
<b>Total</b>		<b>25,00,000</b>				<b>2,50,00,000</b>	<b>25.00</b>	<b>[●]</b>

<b>Mita Dipak Pandya</b>								
<b>Date of Allotment / Transfer</b>	<b>Nature of Issue Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Cumulative No. of Equity Shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Total Consideration Paid (in ₹)</b>	<b>% of Pre-Issue Capital</b>	<b>% of post issue Capital</b>
April 24, 2018	Subscription to Memorandum of Association	2475000	2475000	10	10	24750000	24.75	[●]
<b>Total</b>		<b>24,75,000</b>				<b>2,47,50,000</b>	<b>24.75</b>	<b>[●]</b>

<b>Varsha Mahendra Patel</b>								
<b>Date of Allotment / Transfer</b>	<b>Nature of Issue Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Cumulative No. of Equity Shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Total Consideration Paid (in ₹)</b>	<b>% of Pre-Issue Capital</b>	<b>% of post issue Capital</b>
April 24, 2018	Subscription to Memorandum of Association	2475000	2475000	10	10	24750000	24.75	[●]
<b>Total</b>		<b>24,75,000</b>				<b>2,47,50,000</b>	<b>24.75</b>	<b>[●]</b>

<b>Harshalkumar Mahendrakumar Patel</b>								
<b><u>Date of Allotment / Transfer</u></b>	<b><u>Nature of Issue Allotment / Transfer</u></b>	<b><u>Number of Equity shares</u></b>	<b><u>Cumulative No. of Equity Shares</u></b>	<b><u>Face Value (in ₹) per share</u></b>	<b><u>Issue/ Transfer Price (in ₹) per share</u></b>	<b><u>Total Consideration Paid (in ₹)</u></b>	<b><u>% of Pre-Issue Capital</u></b>	<b><u>% of post issue Capital</u></b>
<u>April 24, 2018</u>	<u>Subscription to Memorandum of Association</u>	<u>10000</u>	<u>10000</u>	<u>10</u>	<u>10</u>	<u>1,00,000</u>	<u>0.10</u>	<u>[●]</u>
<b>Total</b>		<b>10,000</b>				<b>1,00,000</b>	<b>0.10</b>	<b>[●]</b>

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

<b>Sr. No.</b>	<b>Name of Promoters</b>	<b>No. of Equity Shares held</b>	<b>Average Cost of Acquisition per equity share (in ₹)</b>
1.	Mahendra Ramabhai Patel	2500000	10
2.	Dipak Padmakant Pandya	2500000	10
3.	Mita Dipak Pandya	2475000	10
4.	Varsha Mahendra Patel	2475000	10
5.	Harshalkumar Mahendrakumar Patel	10000	10
<b>TOTAL</b>		<b>9960000</b>	<b>10.00</b>



*Source: The Weighted Average Cost of Acquisition as certified by M/s. SVJK and Associates. vide their certificate dated November 06, 2024.*

**19. Lock in of Equity Shares held by Promoters in excess of Minimum Promoter's contribution:**

In addition to Minimum Promoter's Contribution which shall be locked-in for three years, the balance 7220000 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

**20. Lock in of Equity Shares held by Persons other than the Promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 40000 Equity shares held by the Persons other than Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

## **OBJECTS OF THE ISSUE**

**a. Reasons for raising additional working capital.**

Company's Current On-going major projects (Order Book) stands at ₹ 38,541.23 lakhs, out of which ₹ 21,918.24 lakhs is yet to be booked. Kindly refer Company's On-going major projects on Page No. 100 of this Draft Red Herring Prospectus. Out of Total Order book, Company has acquired Orders worth ₹ 12,379.99 lakhs in FY 2023-24 being 32.12% of Total Order Book. We expect that our working capital requirement will correspondingly increase in line with increase in our order book and increase in revenue from operations.

To fulfill the ongoing projects and to meet the projected revenue, Company requires additional working capital. With increase in Revenue, Company requires Working capital to increase in similar range i.e. 15-16% of the Revenue from Operation.

**b. Working capital requirement table for March 31, 2024, as same is given as estimated figures, kindly mention restated figures for March 31, 2024**

We hereby confirm to add the Working Capital requirement figures for FY 2023-24 at the time of filing of Red Herring Prospectus with ROC, SEBI and Exchange.

## BUSINESS OVERVIEW

### a. BUSINESS PROCESS

#### Sale of Products Flow Chart

##### 1. Inquiry Receipt

- Receive inquiry from sub-contractor/client for products (pumps, pipes, transformers, motors, and other electronic accessories)

##### 2. Inquiry Review

- Review inquiry to ensure clarity and completeness
- Verify specifications and requirements

##### 3. Quotation Preparation

- Prepare quotation based on inquiry specifications and requirements
- Include product details, pricing, and delivery terms

##### 4. Quotation Submission

- Submit quotation to sub-contractor/client

##### 5. Order Receipt

- Receive order from sub-contractor/client
- Verify order details and specifications

##### 6. Order Processing

- Process order in accordance with SOP for engineering, procurement, and supply
- Ensure compliance with company quality standards

##### 7. Procurement

- Procure products from suppliers/vendors
- Ensure compliance with specifications and quality standards

##### 8. Quality Check

- Conduct quality check on procured products
- Ensure compliance with company quality standards

##### 9. Delivery

- Deliver products to sub-contractor/client
- Ensure timely delivery and compliance with delivery terms

##### 10. Documentation

Maintain records of sale, including invoice, delivery note, and payment receipt.

### b. Revenue Generated from top 1,3,5,10 customer for last 3 financial year is as follows.

Particulars	% contribution to revenue from operations			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Customer	17.48%	17.54%	19.92%	14.22%
Top 3 Customers	31.11%	49.60%	48.51%	37.55%
Top 5 Customers	41.84%	66.49%	59.66%	52.00%
Top 10 Customers	60.62%	82.47%	76.36%	79.53%

c. 1,3,5,10 supplier for last 3 financial year is as follows:

Particulars	% contribution to Purchases			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Supplier	21.93%	24.69%	18.12%	10.58%
Top 3 Suppliers	44.23%	47.03%	31.85%	22.45%
Top 5 Suppliers	55.13%	57.86%	39.50%	31.47%
Top 10 Suppliers	71.07%	69.57%	54.34%	47.27%

d. DETAILS OF IMMOVABLE PROPERTY

Properties Owned by our Company

Description of Property	Vendor/ Lesser	Date and type of Instrument/Document Executed	Term of the Lease & Area
205, Ashram Avenue, B/H Kochrab Ashram, Paldi, Ahmedabad, Gujarat	Shubhaben Aswinbhai Khanna	<u>Sale Deed dated</u> February 01, 2013	Area admeasuring 325 Sq feet
206, Ashram Avenue, B/H Kochrab Ashram, Paldi, Ahmedabad, Gujarat	Shubhaben Aswinbhai Khanna	<u>Sale Deed dated</u> February 01, 2013	Area admeasuring 325 Sq feet

e. kindly provide financial KPIs for March 31, 2024

We hereby confirm to add the Financial KPIs figures for FY 2023-24 at the time of filing of Red Herring Prospectus with ROC, SEBI and Exchange.

f. kindly mention details about Wilo Mather and business with it.

*In FY 2016-17, Company has entered into the dealership agreement with M/s WILO Mather and Platt Pumps Pvt. Ltd for dealing in various types of pumps and other related products and for After sales services (An Indian subsidiary of more than 150 years old German Pump manufacturer company having three plants in India)". The Company purchases raw materials from other vendors as well, as required for its project. Kindly note that Company is dealer of only M/s WILO Mather and Platt Pumps Private Limited and of no other company. Other Raw materials are directly purchased from the vendors on need basis.*

*The Company received dealership from M/s WILO Mather and Platt Pumps Pvt Ltd to supply their products i.e. various types of pumps and other related products. The Company does not have in house manufacturing, Company directly purchase the products from the M/s WILO Mather and Platt Pumps Pvt Ltd.*

g. Details of Insurance.

INSURANCE

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
<b>A. Policies taken for running O &amp; M Projects</b>						
1.	Iffco Tokio General Insurance Company Limited	43320967	March 06, 2025	Worker Policy for Maintenance in pumping Station for project Anjar	<u>27,00,000</u>	18,861.12
2.	Iffco Tokio General Insurance Company	43304319	August 31, 2024	Worker Policy for Maintenance in pumping Station for project Dharoi	<u>15,36,000</u>	14,250.62

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
	Limited					
3.	Iffco Tokio General Insurance Company Limited	54I64427	June 22, 2026	Group Worker Policy for Maintenance in pumping Station for project	<u>1,45,00,000</u>	14,149.00
4.	Iffco Tokio General Insurance Company Limited	43320940	March 06, 2025	Worker Policy for Maintenance in pumping Station for project Navda	<u>22,44,000</u>	15,675.68
5.	Iffco Tokio General Insurance Company Limited	43320943	March 06, 2025	Worker Policy for Maintenance in pumping Station for project NC 4A Budhel	<u>11,70,000</u>	8,173.16
6.	Iffco Tokio General Insurance Company Limited	43318912	February 07, 2025	Worker Policy for Maintenance in pumping Station for project NC 10	<u>26,82,000</u>	18,735.38
7.	Iffco Tokio General Insurance Company Limited	43318911	February 07, 2025	Worker Policy for Maintenance in pumping Station for project NC 11	<u>26,82,000</u>	18,735.38
8.	Iffco Tokio General Insurance Company Limited	43318068	February 01, 2025	Worker Policy for Maintenance in pumping Station for project NC 7 Morbi	<u>14,88,000</u>	15,072.13
9.	Iffco Tokio General Insurance Company Limited	43318069	February 01, 2025	Worker Policy for Maintenance in pumping Station for project SPP 2 Pipli	<u>14,88,000</u>	15,072.13
10.	Iffco Tokio General Insurance Company Limited	43310309	November 02, 2024	Worker Policy for Maintenance in pumping Station for project NC 3 Vallabhipur	<u>16,56,000</u>	10,031.75
11.	Iffco Tokio General Insurance Company Limited	54G82295	October 03, 2024	Worker Policy for Maintenance in pumping Station for project Anjar Package -4	<u>1,150,000</u>	510.00
12.	Iffco Tokio General Insurance Company Limited	47D64344	September 25, 2025	Office & Professional Establishment Protector Insurance policy (Sookshma Udyam)	<u>70,01,000</u>	43,350

**h. company owns two properties, kindly share on the usage of the same.**

**DETAILS OF IMMOVABLE PROPERTY**

**Properties Owned by our Company:**

Description of Property	Vendor/ Lesser	Date and type of Instrument/Document	Usage Purpose	Term of the Lease & Area
-------------------------	----------------	--------------------------------------	---------------	--------------------------

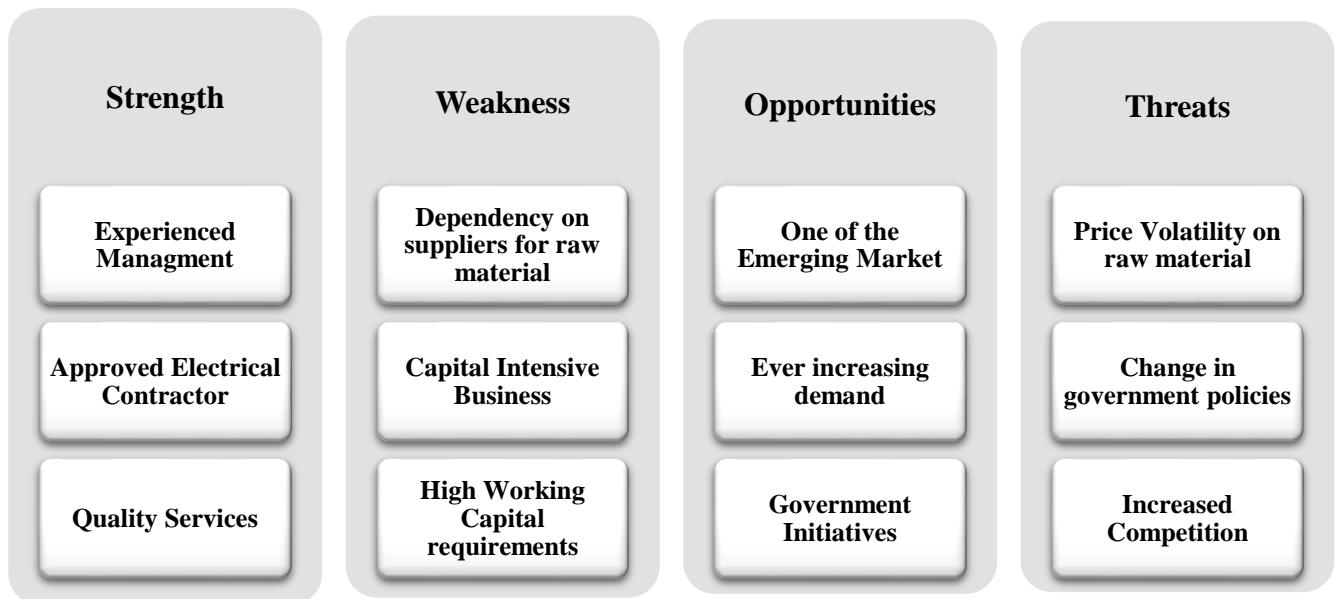
		Executed		
205, Ashram Avenue, B/H Kochrab Ashram, Paldi, Ahmedabad, Gujarat	Shubhaben Aswinbhai Khanna	<u>Sale Deed dated</u> February 01, 2013	<u>For business</u> <u>purpose</u>	Area admeasuring 325 Sq feet
206, Ashram Avenue, B/H Kochrab Ashram, Paldi, Ahmedabad, Gujarat	Shubhaben Aswinbhai Khanna	<u>Sale Deed dated</u> February 01, 2013	<u>For business</u> <u>purpose</u>	Area admeasuring 325 Sq feet

**i. Kindly provide details of number of bids won by the company against the total bids participated in tabular format for last 3 financial years. Also add the same in business section.**

Details of the bids won by the company against the total bids participated in tabular format for last 3 financial years are mentioned hereunder

<u>Fiscal year</u>	<u>Total Bids participated</u>	<u>Bids won</u>
<u>2021-22</u>	<u>39</u>	<u>19</u>
<u>2022-23</u>	<u>42</u>	<u>17</u>
<u>2023-24</u>	<u>60</u>	<u>24</u>

**j. SWOT ANALYSIS**



**STRENGTH**

**Experienced Management**

Mr. Mahendra Ramabhai Patel and Mr. Dipak Padmakant Pandey, Promoters of the company, each having 20 years of experience in the field of Pumping machineries & electrical project.

**Approved Electrical Contractor**

Our Company is one of the approved electrical contractors which enable us to quote and get orders of Electricals Projects with state & central Government.

**Quality Services**

Company is having experienced team of Engineers and other support staff to complete the project as per quality standard requirements of client in timely manner.

**WEAKNESS**

### **Dependency on suppliers for raw material**

For supply of pumps, we are highly dependent on M/s WILO Mather and Platt Pumps Private Limited.

### **Capital Intensive Business**

EPC project are very much capital intensive as all mechanical /electricals items are procured after full payment.

### **High working capital requirements**

Most of the material we purchased either against payment or on credit of a short period whereas we get only 65% to 70% of payment against the supply of material, in addition to the security deposit and Defect Liability which blocks huge amount of our working capital.

### **OPPORTUNITIES**

#### **One of the emerging Market**

Infrastructure project is one of the most emerging market for developing country.

#### **Ever Increasing Demand**

Rail, electrification, hospital, water supply, drainage projects etc. are having ever increasing demand.

#### **Government Initiatives**

Central and state government are taking initiatives of develop infrastructure over India like Jal Jivan Mission, Drainage projects, Rail, Road projects etc. which will create opportunities for companies like ours.

### **THREATS**

#### **Price Volatility of raw material**

Most of the our raw material are having metals like steel, copper, aluminium as major constituents whose price is depended on international market and beyond our control.

#### **Change in Government policies**

As of new government policies are very much in favour of infra project but change in such government policies or change in rate of GST may affect the business prospects.

#### **Increased Competition**

Due to increase in opportunities, there are new players coming in this field which increased completion which may affect our financial and operational capability.

**k. Under Human resources section, the number of employees in Secretarial Department and legal is not mentioned, kindly clarify the same. Kindly provide the rate of attrition and trainings conduced for the last three years.**

The following table illustrates the department wise numbers of our employees as on May 31, 2024.

<b>Department</b>	<b>Number of Employees</b>
Management (including marketing team)	4
Admin and Accounts	9
Project (including Contractual Employees)	39
HR and Legal	1
Secretarial	1
<b>Total</b>	<b>54</b>

The following table sets forth our overall attrition rate as of the periods indicated:

<b>Particulars</b>	<b><u>For the Period ended on December 31, 2023</u></b>	<b><u>For the year ended March 31, 2023</u></b>	<b><u>For the year ended March 31, 2022</u></b>	<b><u>For the year ended March 31, 2021</u></b>
<b>Total No of employees</b>	<u>27</u>	<u>13</u>	<u>12</u>	<u>13</u>

<b>Left during the year</b>	<u>1</u>	<u>2</u>	<u>3</u>	<u>2</u>
<b>Attrition Rate</b>	<u>3.70%</u>	<u>15.38%</u>	<u>25.00%</u>	<u>15.38%</u>

### **TRAININGS**

The Company used to provide training to its technical employees who join our company at M/s WILO Mather and Platt Pumps Pvt. Ltd, of which company is a dealer and which supplies our main component i.e. Pump to us. The training is provided to acquaint the new technical employee about the detailed mechanism of the pump, which constitutes the most critical component of our product.

- Under Completed Projects table, kindly include separate column providing details of projects handled by the company on its own and through JV

### **MAJOR COMPLETED PROJECTS**

Following are list of major completed projects of the company [including the projects in which SITC work has been completed but Operations and Maintenance part is ongoing]

Sr. No.	Client Name	Nature of Work	Work Order No.	Project handled by HMEML OR JV	Value of Project	Date of Completion
1	GWIL	Bid Documents for Design, Build & Operate Contract for Replacement of pumping machinery work at Anjar and Varsamedi, under Kutch Augmentation TALUKA: Anjar, DIST.: Kutch (Package – 3) including 5 years O & M. [SITC work completed-O&M ongoing]	GWIL/Anjar/Kutch Augment/Package-3/Work Order/3209/2018 dtd 04/12/2018	JV (LAXMI Civil Engineering Services (85% - HMEML) (15%-LCES)	1454.10	15-10-2019
2	GWIL	Bid Documents for Design, Build & Operate Contract for Proposed pumping machinery work at Anjar, construction of sump (100 LL capacity) and pump house (15m x 36m) under Kutch Augmentation TALUKA: Anjar, DIST.: Kutch (Package – 4) including 5 years O & M. [SITC work completed-O&M ongoing]	GWIL/Anjar/Kutch Aug/Pkg-4/WO/1361/2019 dtd 13/06/2019	JV (LAXMI Civil Engineering Services (85% - HMEML) (15%-LCES)	1027.61	13-08-2021
3	GWIL	Supply, Installation, Testing And Commissioning Of Pump Sets With Accessories And Allied Electro-Mechanical Equipment Including Rcc Sump, Pump House, Electrical Room With Post Completion Comprehensive Operation And Maintenance For 5 Years at Navda Ta. Barwala, District: Botad	GWIL/Navda/Work Order/07/2017 dtd 23/03/2017	JV (M/S.P.DAS.IN FRASTRUCTURE (80% - HMEML) (20%-PDI)	675.19	10-10-2018 [SITC] 10-10-2023 [O&M] [See Foot note 1]
4	GWSSB	Design, Engineering, Supply,	SK/Danta	HMEML	917.48	04-07-2022



Sr. No.	Client Name	Nature of Work	Work Order No.	Project handled by HMEML OR JV	Value of Project	Date of Completion
		Installation, Testing & Commissioning of Vertical Turbine Pumping Machinery with Associated Mechanical and Electrical Equipment, PLC-SCADA based Instrumentation System and Accessories with Operation and Maintenance for 60 Months @ Dharoi Raw Water Intake Well Pumping Station under Augmentation of Danta-Vadgam-Palanpur Group Water Supply Project, Taluka: Satlasana, District: Mehsana. [SITC work completed-O&M ongoing]	Taluka Dharoi Aug/Intake/ID-463090/1360 dtd 31/08/2021			
5	Sayakha GIDC Bharuch	SITC pf VT & SCF types pumps with accessories and allied Electro mechanical equipments for water supply arrangement @ reservoir & sumps, sayakha (sayakha A & B) including one year comprehensive operation and maintenance.	GIDC/EE/M&E /BRH/AB/458 Dtd 20-10-2016	<u>HMEML</u>	1555.18	19-06-2018 [SITC] 18-06-2019 [O&M]
6	Vapi, GIDC	Engineering (Designing), Supply, Installation, Testing and commissioning of "Vertical Turbine (VT)" & "Horizontal Split Casing Centrifugal (HSCF)" - Energy Efficient (Life Cycle Cost) types Pumpsets with allied equipments and accessories including instrumentation with PLC SCADA System for Water Supply Scheme (W.S.S.) of Notified Area Authority (NAA), GIDC, Vapi including Five (05) year comprehensive maintenance guarantee period. (PQ with two bid system -B2 agreement). [SITC work completed-O&M ongoing]	CO/NAO/GIDC /VAPI/990 dtd 01-10-2019	<u>HMEML</u>	1261.93	30-09-2020
7	Vapi Nagarpalika	Bid Documents for O & M Contract for pumping machinery including post completion O & M for	1621/2019-20/344 dtd 26/02/2020	<u>HMEML</u>	752.23	21-10-2020

Sr. No.	Client Name	Nature of Work	Work Order No.	Project handled by <u>HMEML</u> OR <u>JV</u>	Value of Project	Date of Completion
		Twelve months including water supply pipeline works for VAPI Water Supply Project				
8	GWRDC	Engineering, Procurement and Construction (EPC) Contract for Lift irrigation M.S.Pipeline project for transmission of 50 cusecs of water from Matpur village taluka- Patan to Dharoi extended Branch 4 & 5 near Brahmanwada village taluka –Unjha District Mehsana including Construction of Pumping Station ,supplying and laying M.S pipeline of 1200 mm (ID) , 8mm thickness with allied works etc. with operation and maintenance of commissioned project for 10 years including 3 years Defect liability period for Matpur – Brahmanwada Dist. Mehsana Pipeline Project [SITC work completed- O&M ongoing]	EE/unit-2(SS)/AB/Tender/Matpur-Brahmanwada/Workorder/747/2021 dtd 12/07/2021	<u>JV</u> <u>(OM YASH PROJECT PVT.LTD.</u> <u>(21% - HMEML)</u> <u>(79%-OM YASH)</u>	1076.95	19-04-2023
9	AMC	Supply, Installation, Testing & Commissioning of Internal & External Electrification Works with 4 (Four) Years Operation and Comprehensive Maintenance Service Contract at Proposed Girls Hostel Building, V.S. Hospital Campus, Ellisbridge, Ahmedabad	DLM 1516 dtd 22/02/2017	<u>HMEML</u>	364.90	20-02-2019 [SITC] 20-02-2023 [O&M] [See foot note 2]
10	GWIL	Works for Supply, Installation, Testing and Commissioning (SITC) of pumping machinery and allied electro-mechanical & instrumentation works and civil works including 10 year O&M at Pipli (SPP-2) Pumping Station [SITC work completed- O&M ongoing]	GWIL/SITC & O&M/LOI/ Tender ID 475381/2549/2021 Dtd 16/11/2021	<u>HMEML</u>	819.45	30-06-2023

Sr. No.	Client Name	Nature of Work	Work Order No.	Project handled by HMEML OR JV	Value of Project	Date of Completion
11	GWIL	Works for Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works and Design & construction of civil works including 10 year O&M at Morbi (NC-7) Pumping Station [SITC work completed-O&M ongoing]	GWIL/O&M/LOI/TENDER ID 443037/947/2021 & DT 26-04-2021	HMEML	1070.74	28-02-2023
12	GWIL	Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works including 10 year O&M at NC-3 (Vallabhipur) T.ID 440398 [SITC work completed-O&M ongoing]	GWIL/O&M/LOI/TENDER ID-440398/561/2021 & DT 06/03/2021	HMEML	654.10	31-10-2022

Footnote:

- For the project undertaken by the Company with GWIL vide work order number GWIL/Navda/Work Order/07/2017 dated 23/03/2017 (mentioned at Sl No. 3 in above table), though the project has been completed for SITC as well as for O&M, the company is yet to receive the O&M completion certificate from the Tendering authority.
  - For the project undertaken by the Company with Ahmedabad Municipal Corporation vide work order number DLM 1516 dated 22/02/2017 (mentioned at Sl No. 10 in above table), though the project has been completed for SITC as well as for O&M, the company is yet to receive the O&M completion certificate from the Tendering authority.
- m. Under Completed details of ongoing projects, kindly include separate column providing details of projects handled by the company on its own and through JV, also tentative date of completion**

### MAJOR ONGOING PROJECTS

Following are list of major Ongoing projects [including the projects in which SITC work has been completed but Operations and Maintenance part is ongoing]:

Sr. No.	Principal Name	Nature of work contract and its description	Work Order No.	Project should Handle by HMEML OR JV	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Comment	Tentative date of completion
1.	Ahmedabad Municipal Corporation	SITC work of Pumping Machinery with Related Mechanical, Electrical and Instrumentation Work with Five years Operation and Maintenance for Proposed Water pumping station at TP-24, FP-64/4 Nr. Mihir Tower in Maninagar Ward of South Zone	WOE&MD NO. 514 Dtd 14-3-22	HMEML (SELE)	344.06	192.82	14-03-2022	14-03-2027

Sr. No.	Principal Name	Nature of work contract and its description	Work Order No.	Project should Handle by HMEML OR JV	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement	Tentative date of completion
		of Ahmedabad Municipal Corporation (AMC).						
2.	Ahmedabad Municipal Corporation	SITC work of Pumping Machinery with Related Mechanical, Electrical and Instrumentation Work with Five years Operation and Maintenance for Proposed Water pumping station at Aakash Darshan WDS in Sabarmati Ward, West Zone of Ahmedabad Municipal Corporation (AMC).	WOE&MD NO. 407, Dtd 3-1-22	HMEML (SELE)	403.09	206.72	03-01-2022	03-01-2027
3.	Indira Gandhi Nahar Project, Phalodi, Rajasthan	"Replacement and New Installation of Motors pumps HT LT Transformers Panels Outdoor VCBs etc. at PS of Guru Jamheshwar lift"	EE/MD/ACT 'S/1543 Dtd. 29-11-2022	HMEML (SELE)	415.17	367.20	29-11-2022	29-11-2025
4.	Indira Gandhi Nahar Project, Bikaner, Rajasthan	Replacement of Old Motors, Pumps, HT/LT Transformers, Panels, Outdoor VCB's etc at PS of Kanwarsain Lift for year 2022-23	1740, Dtd 25-1-2023	HMEML (SELE)	1524.17	598.27	03-02-2023	01/02/2025
5.	The Indian Hume Pipe Co. Ltd Jaipur	Supply and laying of MS Casting pipe and pushing with Trenchless method under the "Work of Bisalpur - Prithvi- Raj Nagar Water Supply Project Phase-I Stage-I including Defect Liability period for one year and O&M for 10 years (NIT No 03/2019-20)"	IHP/JPR/283 Dtd 11/07/2022	HMEML (SELE)	1626.21	1408.20	12-07-2022	12-07-2032
6.	The Indian Hume Pipe Co. Ltd Jaipur	SITC of Electro mechanical work under the "Work of Bisalpur-Prithvi Raj Nagar Water Supply Project Phase-I Stage-I including Defect Liability Period for one year and O& M for 10 Years (NIT No. 03/2019-20)"	IHP/JPR/PR N/382 Dtd 02/02/2022	HMEML (SELE)	688.01		02-02-2022	02-02-2032
7.	Gujarat Water Supply & Sewerage Board	"Design, Build, Trial Run Contract for construction of RCC U/G Sump, Pump Room & Providing, Supplying, Lowering, Laying & Jointing DI & PVC Pipeline network (Rising Main & Distribution Gravity main) & Supply, Installation, Testing & Commissioning of HSCF/VT Pumps With Associated Mechanical and Electrical Equipment's, Instruments & Accessories at R.C.C. Sump, pump house electrification work etc. including Operation & Maintenance of All type Civil & Mechanical Structures, Machineries & pipeline network for 5 yrs. of kudasana group (villages of G-2) RWSS & water supply scheme in TP-1,2,3,20,21 of GMC/GUDA area Ta & Dist. Gandhinagar [in JV with V L Infra Projects P Ltd]	1767 Dtd 23-05-22	JV V L INFRA PROJECT PRIVATE LIMITED (80%- HMEML (SELE) (20%- V L INFRA PVT.LTD.)	2037.18	1408.72	23-05-2022	23-05-2027
8.	Gujarat Water Infrastructure Limited	Works for Supply, Installation, Testing and Commissioning (SITC) of pumping machinery and allied electro-mechanical & instrumentation works and civil works including 10-year O&M at Pipli (SPP-2) Pumping Station [SITC work completed- O&M ongoing]	GWIL/SITC & O&M/LOI/ Tender ID-475381/2549/2021 Dtd 16/11/2021	HMEML (SELE)	1201.55	615.50	16-11-2021	16-11-2031
9.	Gharpure Engineering & Constructions	Mechanical, Electrical and Piping Works for EPC, Testing and Commissioning of 200 MLD WTP Incl. Clear Water Sump and pump house incl. at Jaspur Head Works incl. 3 months successful trial run &	GECPL/AM C/WTP/PROJECT/LOI/02 , W.O. No.	HMEML (SELE)	4450.30	2330.40	30-04-2022	30-04-2032

Sr. No.	Principal Name	Nature of work contract and its description	Work Order No.	Project should Handle by HMEML OR JV	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Comment	Tentative date of completion
	Private Limited, Vadodara	acceptance of entire water works facility at Jaspur and trial run & acceptance of above under water project of AMC	3442 Dtd 25/12/2021					
10.	Gujarat Water Infrastructure Limited	Works for Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works and Design & construction of civil works including 10-year O&M at Morbi (NC-7) Pumping Station [SITC work completed- O&M ongoing]	GWIL/O&M/ LOI/TENDER ID – 443037/947/2021 & Dtd 26-04-2021S	HMEML (SELF)	1559.93	813.89	26-04-2021	26-04-2031
11.	Jay Builders, Ahmedabad	“Design , Build , Testing & Commissioning of Intake Well With Approach Bridge, Pump House, RCC Under Ground Sump / HGLR ,Providing, Supplying, Lowering, Laying, Jointing, Testing and Commissioning of Mild Steel Pipe for Rising Main and Gravity Main including SITC of Pumping Machinery and all allied work complete with post completion O&M for five years for ‘Damanganga River Basin (Madhuban Dam) Based Bulk Water Pipeline Scheme’ of Valsad, Pardi, Dharampur taluka of Valsad District (181+1 Villages / City) and Khergam, Chikhli, Vansda, and Gandevi taluka of Navsari District (214 Villages).”	Ref. No. Damanganga/ PO/22-23/35 Dtd 30/10/2022	HMEML (SELF)	1417.78	387.12	02-04-2023	02-04-2028
12	Jay Builders, Ahmedabad	““Design, Build , Trial Run Contract for construction of Intake well in Tapi River near Vankla village, 140 MLD WTP @ MHW, RCC U/G Sump, RCC ESR, Pump House& Providing, Supplying, Lowering, Laying & Jointing Rising Main& Gravity main Pipeline & Supply, Installation, Testing &Commissioning of VT & HSCF Pumps With Associated Mechanical and Electrical Equipment’s, Instruments & Accessories with Operation& Maintenance of All type Civil & Mechanical Structures, Machineries & Pipeline Network (New & Existing) for 5 Yrs. Under Regional Water Supply Scheme For Uncovered Villages of Bardoli, Palsana, Mandvi of Surat District (100 Villages) & Jalalpor, Gandeviand Navsaritaluka of Navsari District (171 Villages).””	Ref. No. Surat Bulkline/PO/ 22-23/36 Dtd 12/10/2023	HMEML (SELF)	1728.71	671.57	05-01-2023	05-01-2028
13.	Gujarat Water Infrastructure Limited	Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works including 10-year O&M at NC-3 (Vallabhipur) T.ID 440398 [SITC work completed- O&M ongoing]	GWIL/O&M/ LOI/TENDER ID- 440398/561/2021 & Dtd 06/03/2021	HMEML (SELF)	1032.38	586.52	06-03-2021	06-03-2031
14.	Temple Board Nathdwara, Rajasthan	Electrical work of Laxmi Niwas Dharmshala, Temple Board Nathdwara.	4350/NV/2023 & Dtd 06/09/2023	HMEML (SELF)	99.83		06-09-2023	06-09-2028
15.	Temple Board Nathdwara, Rajasthan	Electrical work of Porbandar Wali Dharmshala at Nathdwara	1732/NV/2023 & Dtd 02/06/2023	HMEML (SELF)	344.18	48.29	02-06-2023	06-09-2028
16.	Sardar Sarovar Narmada Nigam Ltd	Comprehensive operation and maintenance contract of 05 years for dewatering system consisting of 12 nos. of 100 HP, 08 nos. of 75 HP and 02 nos. of 30 HP submersible pumps in dewatering sumps in dam	NPMD/AB-TC/ Work Order/291 of 2023 Dtd	HMEML (SELF)	265.07		27-04-2023	27-04-2028

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Project should Handle by HMEML OR JV	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Comment	Tentative date of completion
		galleries and at right bank pumps shafts of Sardar Sarovar Dam	27/04/2023					
17.	Western Railway Ahmedabad-Division-Electrical, Ahmedabad	Modification of track crossing, Electrification of S&T structure / TRD/other service buildings / staff Quarters, Platform, Cover Sheds, sub way, providing pumpset, Coaching terminal facilities in connection with Bhuj Naliya Gauge conversion Work	WR-DYCEE-C-ADI-ELECTRICAL / EL-C-ADI-GS-265-2022-23 / 01496490080 626 & Dtd 05/07/2023	HMEML (SELF)	456.91		05-07-2023	05-08-2025S
18.	Gujarat Water Supply & Sewerage Board	Design , Build, construction of Water Treatment Plant 16.50 MLD at Jalundra HW, Providing, Supplying, Lowering, Laying, Jointing and commissioning of 168.3 mm to 508 mm Dia M.S Pipe,300 mm to 450 mm Dia DI K-7 and 90 mm to 315 mm Dia PVC 6kg/cm2 Pipeline network and SITC of various HSCF/VT Pumps, Panel board electrification With ancillary works at Different HWs and SHWs, various size R.C.C. U/G Sump, R.C.C. ESR, Pump house, Compound Wall with 3 months Trial run and 5 Years of O and M of All type Civil and Electro-Mechanical work (all New and Existing structures/work) in Augmentation of G-2 RWSS Jalundra Group under Jal Jeevan Mission, Taluka. Gandhinagar &Dehgam, Dist. Gandhinagar. [In JV with V L Infra Projects P Ltd]	G-2RWSS/Jalundra Group T.ID:- 558398/ 295 dtd 10-02-2023	JV V L INFRAPROJECT LIMITED (60%-VLINFRA) (40%-HMEML)	1755.59	767.00	10-02-2023	10-02-2028
19.	GANDHVI - GWIL – Sub-contract from Corrtch International Ltd.	"Design and SITC of Pumping Machinery at Gandhvi and Porbandar P.S. for Gandhvi to Gorinja and Gandhvi to Porbandar in the state of Gujarat		HMEML (SELF)	970.00		31-10-2023	31-10-2028
20	Temple Board Nathdwara, Rajasthan	Complete Renovations and Upgradation of Electrical system and allied utilities like CCTV Surveillance system, public address system, Firefighting system at Shrinathji Temple, Nathdwara.	6466/NV/2023 & Dtd 06/12/2023	HMEML (SELF)	337.97		01-01-2024	01-01-2029

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Project should Handle by HMEML OR JV	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Comment	Tentative date of completion
21	Gujarat Water Supply & Sewerage Board	Design & Construction of Various Sizes * Sumps & RCC ESR, providing, supplying, lowering laying and jointing of DI & PVC pipeline for Rising main/ Gravity distribution pipeline network including providing, supplying, erecting and testing Pumping Machineries at Main HW & Sub HW & Village Level Pumping Stations, RCC Road, Staff quarter, Compound Wall, Electrification work and other headwork development works at Main HW & Sub HW and Operation & Maintenance of All type Civil & Mechanical Structures, Machineries & Pipeline Network for 10 Yrs. for A2 Augmentation Regional Water Supply Scheme based on Dholka branch canal : Part-I (Telav group) : Package 1 ,Taluka : Bavla & Sanand Distict :- Ahmedabad" [In JV with V L Infra Projects P Ltd]	ZONE-2/PB/AHME DABAD/AUG. OF A-2 RWSS TELAV GROUP PKG-1/T.ID-10132/197/2024 & Dtd 01/02/2024 TOTAL TENDER AMT. 74,29,36,441/-	JV V L INFRA PROJECT PRIVATE LIMITED (60%-HMEML) (40%- V L INFRA PVT.LTD.)	4457.61		01-02-2024	01-02-2034
22.	Gujarat Water Supply & Sewerage Board	"Design & Construction of Pump house, Erection of New Air Valve on pipeline & Design with SITC of pumping machinery at Intake Well & Sub H.W including Electrification work at Various H.W under Dahod City Aug Water Supply Scheme With Operation and Maintenance for Ten (10) years under Aug of Dahod City Water Supply Scheme & Hirola RWSS TA-Santrampur, Sanjeli, Zalod, Dahod Dist: Mahisagar, Dahod."	PB/ Zone-1/ Dahod/ Dahod City Aug.WSS/ID - 607786/Amd/341 Dtd 15/02/2024	HMEML (SELF)	4030.64		09-02-2024	09-02-2034
23	Gujarat Water Infrastructure Limited	Design, Build and operate for proposed pumping machinery work at Anjar, Construction of Sump (100LL Capacity) and Pump house (15 x 36 Mtr) under Kutch Augmentation Package-4 Taluka Anjar Kutch including 5-year O&M work [SITC work completed- O&M ongoing] [In JV with Laxmi Civil Engineering Service P Ltd]	GWIL/Anjar/ Kutch Augment/Pac kage-4/ Work Order/1361/2019 Dtd 13/06/2019, Total tender amount Rs 12,96,78,399/-	JV (LAXMI Civil Engineering Services (85% - HMEML) (15%-LCES)	1157.84	1025.89	16-11-2021	16-11-2026
24	Gujarat Water Infrastructure Limited	Design, Build and operate for replacement of pumping machinery Anjar and Varshamedi pumping station including 5-year O&M works under Kutch Augmentation Taluka Anjar Distt Kutch [SITC work completed- O&M ongoing] [In JV with Laxmi Civil Engineering Service P Ltd]	GWIL/Kutch augmentation work/P.M./Replacementwork/2018/LOI/ Tender Id Number - 330101/1891 DTD 22/11/2018; Total Tender Amount Rs 21,23,69,131/-	JV (LAXMI Civil Engineering Services (85% - HMEML) (15%-LCES)	1896.15	1751.77	22-11-2018	22-11-2028
25	Gujarat Water Infrastructure Limited	Comprehensive Operation, Maintenance & Repair of whole Electro Mechanical Installation under NC-4A Project including all Electrical Equipment including 11KV Switchyard, Mechanical equipment Instrumentation equipment (SCADA) Etc/ along	GWIL/O&M/ LOI/ Tender Id Number-409371/1367/2020 Dtd	HMEML (SELF)	282.57	152.97	19/08/2020	19-08-2030

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Project should Handle by HMEML OR JV	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Comment	Tentative date of completion
		with all related accessories as installed at Budhel pumping station with civil structures like pump house Sump M/S/ Fabricated structure for 60months (Tender ID -409371)	19/08/2020					
26	Gujarat Water Supply & Sewerage Board	Design, Engineering, supply, installation, Testing and commissioning of Vertical Turbine Pumping Machinery with associated mechanical and electrical equipment, PLC SCADA based instrumentation systems and accessories with O&M for 60 months @ Dharoi Raw water intake Well Pumping station under augmentation of Danta-Vadgam-Palanpur group water supply project Taluka Satlasana, Distt Mehsana [Tender ID 463090] [SITC work completed- O&M ongoing]	SK/Danta Taluka Dharoi Aug/Intake/ID - 463090/1360 & Dtd 31/08/2021	<u>HMEML (SELF)</u>	1113.64	798.66	13-08-2021	13-08-2031
27	Rajkot Municipal Corporation	Comprehensive Operation and Maintenance for a period of 5 years at District Garden Pumping Station	RMN Pa/Wo. V/J. No. 1999 Dtd 11/12/2019	<u>HMEML (SELF)</u>	206.67	191.36	21-04-2021	21-04-2025
28	Ahmedabad Municipal Corporation	Refurbishment with SITC of Electrical, Mechanical & Instrumentation work with Operation & Maintenance period of 60 Months at Viratnagar & Rakhial Sewage pumping station of A.M.C.	STP/551/20-21 Dtd 15/06/2020	<u>HMEML (SELF)</u>	261.06	211.84	01-05-2021	01-05-2026
29	Vapi, GIDC	Engineering (Designing), Supply, Installation, Testing and commissioning of "Vertical Turbine (VT)" & "Horizontal Split Casing Centrifugal (HSCF)" - Energy Efficient (Life Cycle Cost) types Pumpsets with allied equipments and accessories including instrumentation with PLC SCADA System for Water Supply Scheme (W.S.S.) of Notified Area Authority (NAA), GIDC, Vapi including Five (05) year comprehensive maintenance guarantee period. (PQ with two bid system -B2 agreement). [SITC Completed - O & M ongoing]	CO/NAO/GIDC/VAPI/990 dtd 01-10-2019	<u>HMEML (SELF)</u>	1207.80	1126.72	01-10-2019	01-10-2024
30	GWRDC	Engineering, Procurement and Construction (EPC) Contract for Lift irrigation M.S.Pipeline project for transmission of 50 cusecs of water from Matpur village taluka- Patan to Dharoi extended Branch 4 & 5 near Brahmanwada village taluka -Unjha District Mehsana including Construction of Pumping Station ,supplying and laying M.S pipeline of 1200 mm (ID) , 8mm thickness with allied works etc.with operation and maintenance of commissioned project for 10 years including 3 years Defect liability period for Matpur - Brahmanwada Dist.Mehsana Pipeline Project [SITC Completed - O & M ongoing]	EE/unit-2(SS)/AB/Tender/Matpur-Brahmanwada/Workorder/747/2021 dtd 12/07/2021	<u>JV (OM YASH PROJECT PVT.LTD. (21% - HMEML) (79%-OM YASH)</u>	1269.16	961.56	13-07-2021	13-07-2025

**n. Under business section, kindly mention details on transportation**

**TRANSPORATATION**

*We don't require any major transportation services for our operations and for any such requirement we hire any local transporter as and when required.*



**o. and the area of property (in sq.ft/sq.mtr.) in the table of properties.**

The Details of the Immovable property taken on rent / NOC basis is given here below:

Sr. No	Agreement Date	Name of Lessor	Name of Lessee	Description of Property	Usage Purpose	Rent (In ₹)	Tenure	Area
1.	April 24, 2018	Mita Dipak Pandya and Varsha Mahendra Patel	H.M. Electro Mech Limited	302, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 28.00 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.	<u>300 Sq. Feet</u>
2.	April 24, 2018	Mita Dipak Pandya and Varsha Mahendra Patel	H.M. Electro Mech Limited	303, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 30.19 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.	<u>325 Sq. Feet</u>
3.	April 24, 2018	Dipak Padmakant Pandya	H.M. Electro Mech Limited	304, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 30.00 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.	<u>325 Sq. Feet</u>
4.	April 24, 2018	Mahendra Ramabhai Patel	H.M. Electro Mech Limited	305, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 30.00 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.	<u>325 Sq. Feet</u>

## **HISTORY AND CORPORATE STRUCTURE**

Mr. Mahendra Ramabhai Patel, Mr. Dipak Padmakant Pandya, Mrs. Mita Dipak Pandya, Mrs. Varsha Mahendra Patel and Mr. Harshalkumar Mahendrakumar Patel are the promoters of our company. Our Promoters namely Mr. Mahendra Ramabhai Patel and Mr. Dipak Padmakant Pandya have more than 20 years of experience in the engineering industry. Further our promoters Mrs. Mita Pandya and Mrs. Varsha Patel carry extensive experience of more than 15 years in the field of handling management and administration verticals of the company. Prior to the incorporation of our Company, all our Promoters were associated with M/s. H M Engineers, a partnership firm engaged in the business of Electro Mechanical Contract for water supply & waste water treatment and pumping machinery installation works in pump house of Government Turnkey Projects. etc., which was later converted into our Company during the year 2018. Mr. Mahendra Ramabhai Patel and Mr. Dipak Padmakant Pandya along with our management team are responsible for identifying the projects in which the company should participate and make sure that the selected projects are related to our business. Our Promoters are the guiding force behind the success of our company. We believe the stability of our management team and the industry experience brought on by our individual Promoters will enable us to continue to take advantage of future market opportunities and expand into newer markets.

## OUR MANAGEMENT

### Harshal Mahendra Patel, Additional Non-Executive Director

Harshal Mahendra Patel, aged 30 years, is an Additional non-executive Director and Promoter of our Company. He has completed a diploma in Mechanical Engineering from Gujarat Technological University in the year 2017. He is having more than 5 years of experience as civil, electro-mechanical & Instrumental works.

- a. It is being observed that the CFO is not financially literate, as specified in the DRHP to his qualification; he has completed the course of training in draughtsman (mechanical) from Bhawan's Shri, C.T. Sutaria Industrial Training Institute, Dakor, National council for vocational training. Please clarify the same.

We have replaced the CFO of the Company Mr. Hareshkumar Ambalal Patel with new person Mr. Nitinbhai Pragajibhai Dhorajiya and relevant details are mentioned hereunder for your reference.

### OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	<u>Nitinbhai Pragajibhai Dhorajiya</u>	<u>He holds the Degree of Bachelor of Commerce from the Gujarat University</u>	<u>Proprietor of Nitin Patel &amp; Co</u>	<u>Nil</u>
<b>Designation</b>	<u>Chief Financial Officer</u>			
<b>Date of Appointment</b>	<u>October 03, 2024</u>			
<b>Overall Experience</b>	<u>He is having more than 6 years of experience in the field of finance.</u>			
<b>Name</b>	Chetankumar Hiralal Solanki	He is a member of The Institute of Company Secretaries of India since year 2017	Shreenathji Rasayan Private Limited	0.60
<b>Designation</b>	Company Secretary and Compliance Officer			
<b>Date of Appointment</b>	August 14, 2023			
<b>Overall Experience</b>	He is having more than 2 years of experience in the field of secretarial compliances.			

## OUR PROMOTERS AND PROMOTERS GROUP


### Promoters of our Company are:


1. Dipak Padmakant Pandya
2. Mahendra Ramabhai Patel
3. Varsha Mahendra Patel
4. Mita Dipak Pandya
5. Harshalkumar Mahendrakumar Patel


For details of the Capital build-up of our Promoters in our Company, please refer chapter titled “Capital Structure” beginning on Page No. 55 of this Draft Red Herring Prospectus.


The details of our Promoters are as follows:


### INDIVIDUAL PROMOTERS

	<b>DIPAK PADMAKANT PANDYA</b>
	<p>Dipak Padmakant Pandya aged 61 years, is the Chairman and Managing Director and Promoter of our Company. He holds degree of Bachelor of Engineering in Mechanical from Sardar Patel University, Gujarat. He is having more than 20 years of experience in electro-mechanical Instrumentation. He looks Projects, Operations &amp; Maintenance and HR department of the company.</p>
<b>Date of Birth</b>	March 25, 1963
<b>Age</b>	61 years
<b>PAN</b>	AGJPP6101C
<b>Educational Qualification</b>	He holds degree of Bachelor of Engineering in Mechanical from Sardar Patel University, Gujarat.
<b>Present Residential Address</b>	25-a, Nutan Society, Near Suvidha Shopping Centre, Paldi, Ahmedabad Gujarat-380007
<b>Position/posts held in the past</b>	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Whole-time Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from whole time director to the position of Managing director w.e.f January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of directors vide their Meeting held on June 11, 2024.
<b>Directorship held</b>	N/A
<b>Other Ventures</b>	N/A

	<p><b>MAHENDRA RAMABHAI PATEL</b></p> <p>Mahendra Ramabhai Patel, aged 56 years, is Whole Time Director and Promoter of our Company. He has completed his secondary examination from Gujarat Secondary Education Board in year 1982. He is having more than 20 years of experience in electro-mechanical Instrumentation. He looks Overall Tendering, Designing &amp; Engineering and Procurement department of the company.</p>
<p><b>Date of Birth</b></p>	<p>June 23, 1967</p>
<p><b>Age</b></p>	<p>56 years</p>
<p><b>PAN</b></p>	<p>ABEPP0335Q</p>
<p><b>Educational Qualification</b></p>	<p>He has completed his secondary examination from Gujarat Secondary Education Board in year 1982.</p>
<p><b>Present Residential Address</b></p>	<p>F-1 Vedant Shriji apartment, CIMS Hospital Road, Near- B R Park, Science City Road, Sola, Ahmedabad, Gujarat-380060</p>
<p><b>Position/posts held in the past</b></p>	<p>Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Managing Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from managing director to the position of whole-time director effective from January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of directors vide their Meeting held on June 11, 2024.</p>
<p><b>Directorship held</b></p>	<p>N/A</p>
<p><b>Other Ventures</b></p>	<p>N/A</p>

	<b>VARSHA MAHENDRA PATEL</b>
	Varsha Mahendra Patel aged 53 years is a citizen of India. She has completed her secondary examination from Gujarat Secondary Education Board in year 1987. She is having more than 15 years of experience in the field of handling management and administration.
<b>Date of Birth</b>	March 14, 1971
<b>Age</b>	53 years
<b>PAN</b>	ABEPP0336P
<b>Educational Qualification</b>	She has completed her secondary examination from Gujarat Secondary Education Board in year 1987.
<b>Present Residential Address</b>	F-1 Vedant Shriji apartment, CIMS Hospital Road, Near- B R Park, Science City Road, Sola, Ahmedabad, Gujarat-380060
<b>Position/posts held in the past</b>	Director
<b>Directorship held</b>	Indcon Panels Private Limited
<b>Other Ventures</b>	N/A

	<b>MITA DIPAK PANDYA</b>
	Mita Dipak Pandya, aged 58 years, is the Whole Time Director of our Company. She holds degree of Bachelor of Science degree in Home Science from Sardar Patel University in year 1986. She is having more than 15 years of experience in the field of handling management and administration.
<b>Date of Birth</b>	December 10, 1965
<b>Age</b>	58 Years
<b>PAN</b>	ALPPP6018F
<b>Educational Qualification</b>	She holds degree of Bachelor of Science degree in Home Science from Sardar Patel University in year 1986.
<b>Present Residential Address</b>	25-a, Nutan Society, Near Suvidha Shopping Centre, Paldi, Ahmedabad Gujarat-380007
<b>Position/posts held in the past</b>	She was a Non-Executive Director of the company since incorporation of the company i.e. April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on June 12, 2024, she was re-designated and appointed as a Whole Time Director of the Company with effect from June 11, 2024, for a period of 3 (three) years.
<b>Directorship held</b>	Indcon Panels Private Limited
<b>Other Ventures</b>	N/A

	<b><u>HARSHALKUMAR MAHENDRAKUMAR PATEL</u></b> <u>Harshalkumar Mahendrakumar Patel, aged 31 years, is the Additional Non-Executive Director of our Company. He has completed a diploma in Mechanical Engineering from Gujarat Technological University in the year 2017. He is having more than 5 years of experience as civil, electro-mechanical &amp; Instrumental works.</u>
<b><u>Date of Birth</u></b>	<u>April 30, 1993</u>
<b><u>Age</u></b>	<u>31 Years</u>
<b><u>PAN</u></b>	<u>BXKPP1795D</u>
<b><u>Educational Qualification</u></b>	<u>He has completed a diploma in Mechanical Engineering from Gujarat Technological University in the year 2017.</u>
<b><u>Present Residential Address</u></b>	<u>F-1 Vedant Shreeji, CIMS Hospital Road, Sola Ahmedabad Gujarat-380060</u>
<b><u>Position/posts held in the past</u></b>	<u>He was appointed as an additional non-executive director of the company with effect from October 21, 2023.</u>
<b><u>Directorship held</u></b>	<u>Nil</u>
<b><u>Other Ventures</u></b>	<u>Nil</u>

#### **DECLARATION**

We declare and confirm that the details of the permanent account numbers, bank account numbers, passport numbers, Aadhar card number and Driving Licence number of our Additional Promoters are being submitted to BSE Limited, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Red Herring Prospectus with the Stock Exchange.

#### **CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER**

Since its incorporation, our company has maintained a stable foundation with eight initial members serving as subscribers to the Memorandum of Association. These individuals, acting as holders of equity shares, collectively hold the complete paid up share capital of the company comprising 1,00,00,000 [One crore only] Equity shares. Remarkably, these members have retained their shareholding from the inception of the company up to the date of filing this Draft Red Herring Prospectus.

There is no change in management of the company since its inception.

#### **INTEREST OF OUR PROMOTERS**

- Except as stated in “*Annexure – IX - Restated Related Party Transactions*” under section “*Restated Financial Information*” beginning from page no. 164 of this Draft Red Herring Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoter do not have any other interest in our business.
- Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “*Annexure – IX - Restated Related Party Transactions*” under section “*Restated Financial Information*” beginning from page no. 164 of this Draft Red Herring Prospectus.
- Our Promoters, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Draft Red Herring Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Draft Red Herring Prospectus.

- Except as otherwise as stated in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Draft Red Herring Prospectus in which Promoter is directly or indirectly interested.

#### **PAYMENT OF BENEFITS TO OUR PROMOTER**

Except as stated in the section “Annexure – IX - Restated Related Party Transactions” under section “Restated Financial Information” beginning from page no. 164 of this Draft Red Herring Prospectus, there has been no payment of benefits made to our Promoters or member of promoter group in the two years preceding the filing of this Draft Red Herring Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoter Directors or Promoters’ Group, towards remunerations as decided by Board of Directors.

#### **GUARANTEES**

Except as stated in the section under section "Restated Financial Information" beginning on page 164 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus

#### **CONFIRMATIONS**

Our Company and Promoters have confirmed that they have not been declared as wilful defaulters or Fraudulent Borrowers by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, Promoter group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, Promoter group or directors do not have direct or indirect relation with the companies, its Promoters and directors, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, our Promoters or directors are not a fugitive economic offender.

We and Our Promoters, Group Entities, and Companies promoted by the Promoter confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “Outstanding Litigation and Material Developments” appearing on page no. 181 of this Draft Red Herring Prospectus.

#### **DISASSOCIATION OF PROMOTER IN THE LAST THREE YEAR**

Except mentioned below, none of our Promoters have disassociated himself/herself from our Company during the preceding three years.

<b>Sr No.</b>	<b>Name of Promoter</b>	<b>Name of Disassociating Entities</b>	<b>Date of Disassociation</b>	<b>Reason for Disassociation</b>
1.	Varsha Mahendra Patel	H.M. Electro Mech Limited	January 29, 2024	Cessation as Director

#### **RELATIONSHIP OF PROMOTER WITH EACH OTHER AND WITH OUR DIRECTORS**

Our Promoters are part of our board of directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2(77) of the Companies Act, 2013.

<b>Name</b>	<b>Designation</b>	<b>Relation</b>
Dipak Padmakant Pandya	Chairman and Managing Director	He is spouse of Mita Dipak Pandya who is Whole Time Director of the Company.
Mahendra Ramabhai Patel	Whole Time	He is spouse of Varsha Mahendra Patel who is one of our



Name	Designation	Relation
	Director	promoter and Father of Harshalkumar Mahendrakumar Patel who is Additional Non-Executive Director of the Company.
Mita Dipak Pandya	Whole Time Director	She is spouse of Dipak Padmakant Pandya who is Chairman and Managing Director of the Company.
Varsha Mahendra Patel	Promoter	She is spouse of Mahendra Ramabhai Patel who is Whole Time Director and Mother of Harshalkumar Mahendrakumar Patel who is Additional Non-Executive Director of the company.
Harshalkumar Mahendrakumar Patel	Additional Non-Executive Director	He is son of Mahendra Ramabhai Patel who is Whole Time Director and Varsha Mahendra Patel who is one of our promoter of the company.

#### OUR PROMOTER' GROUP

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter' Group:

##### a. Natural persons who are part of our Individual Promoter Group:

Relationship with Promoter	Dipak Padmakant Pandya	Mita Dipak Pandya
Father	Late Padmakant O Pandya	Dinkarbhair C Shukla
Mother	Late Virbala P Pandya	Late Bhartiben D Shukla
Spouse	Mita Dipak Pandya	Dipak Padmakant Pandya
Brother/s	-	Gaurav Yagnik
Sister/s	Minal Pandya	Sejal R Upadhyay
Daughter/s	Suhani Swapnil Patel	Suhani Swapnil Patel
Spouse's Father	Dinkarbhair C Shukla	Late Padmakant O Pandya
Spouse's Mother	Late Bhartiben D Shukla	Late Virbala P Pandya
Spouse's Brother/s	Gaurav Yagnik	-
Spouse's Sister/s	Sejal R Upadhyay	Minal Pandya
Relationship with Promoter	Mahendra Ramabhai Patel	Varsha Mahendra Patel
Father	Late Ramabhai Lallubhai Patel	Late Bhikhabhai Dayabhai Patel
Mother	Manekben Ramabhai Patel	Madhuben Bhikhabhai Patel
Spouse	Varsha Mahendra Patel	Mahendra Ramabhai Patel
Brother/s	Late Pravinbhai Ramabhai Patel	Ashokbhai Bhikhabhai Patel
Sister/s	Sushilaben Ambalal Patel	Geetaben Sureshbhai Patel
	Kapilaben Dhirajbhai Patel	
Son	Harshalkumar Mahendrakumar Patel	Harshalkumar Mahendrakumar Patel
Daughter/s	Pinal Mahendra Patel	Pinal Mahendra Patel
Spouse's Father	Late Bhikhabhai Dayabhai Patel	Late Ramabhai Lallubhai Patel
Spouse's Mother	Madhuben Bhikhabhai Patel	Manekben Ramabhai Patel
Spouse's Brother/s	Ashokbhai Bhikhabhai Patel	Late Pravinbhai Ramabhai Patel
Spouse's Sister/s	Geetaben Sureshbhai Patel	Sushilaben Ambalal Patel
		Kapilaben Dhirajbhai Patel

Relationship with Promoter	Harshalkumar Mahendrakumar Patel
----------------------------	----------------------------------

Father	<u>Mahendra Ramabhai Patel</u>
Mother	<u>Varsha Mahendra Patel</u>
Spouse	-
Brother/s	-
Sister/s	<u>Pinal Mahendra Patel</u>
Son	-
Daughter/s	-
Spouse's Father	-
Spouse's Mother	-
Spouse's Brother/s	-
Spouse's Sister/s	-

**b. Companies related to our Promoter Company:**

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	-
Any Body corporate in which Promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the Promoter (Body Corporate).	-

**c. Companies, Proprietary concerns, HUFs related to our Promoter**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by Promoter or an immediate relative of the Promoter or a firm or HUF in which Promoter or any one or more of his immediate relatives are a member.	Indcon Panels Private Limited Midas Metcons Private Limited
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	-
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than twenty percent.	-

**d. Person whose shareholding is aggregated under the heading "Shareholding of the Promoters Group"**

Name of Entities / Person
Twinkal Sagarkumar Paneliya

**RESTATED FINANCIAL INFORMATION**

- a. Kindly mention % of the RPT transactions on page no. 21, also provide the RPT transactions on March 31, 2024, also update the same in RHP**

We hereby confirm to add the Related Party Schedule for FY 2023-24 of Restatement at the time of filing of Red Herring Prospectus with SEBI, ROC and Exchange.

### GOVERNMENT APPROVALS

- a. it has been observed that Temporary License as Electrical Contractor from Indira Gandhi Nahar Pariyojna, Bikaner, Rajasthan has expired, kindly provide the steps taken by the Company with respect to the same.

The Company has already applied for renewal of License and copy of the Application for renewal. The status of the same will be updated in Red Herring Prospectus to be filed with SEBI, ROC and Exchange.

- b. Kindly provide details of the License under the Shops and Establishments Act for the Registered and Corporate Office of the Company.

**Registrations related to Labour Laws:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under Gujarat Shops and Establishments (Regulation of employment and conditions of Service) Act 2019	H.M. Electro Mech Limited, 302, 303, 304 and 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	<del>PII/VSHP/4000987/02781878</del> PII/VSHP/4000987/0278187	Shop and Establishment Department Amdavad Municipal Corporation Ahmedabad	April 07, 2022; last updated February 13, 2024	Valid till cancelled

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum to Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Addendum to Draft Red Herring Prospectus are true and correct.

### Signed by the Directors of the Company:

Name	Designation	Signature
Dipak Padmakant Pandya	Chairman and Managing Director	sd/-
Mahendra Ramabhai Patel	Whole Time Director	sd/-
Mita Dipak Pandya	Whole Time Director	sd/-
Bhavisha Kunal Chauhan	Additional Independent Director	sd/-
Aayush Kamleshbhai Shah	Additional Independent Director	sd/-
Harshalkumar Mahendrakumar Patel	Additional Non-Executive Director	sd/-

### Signed by:

Name	Designation	Signature
Nitinbhai Pragajibhai Dhorajiya	Chief Financial Officer	sd/-
Chetankumar Hiralal Solanki	Company Secretary and Compliance Officer	sd/-

Place: Ahmedabad

Date: November 06, 2024





**Dated: June 28, 2024**  
**Draft Red Herring Prospectus**  
Please read Section 26 and 32 of the Companies Act, 2013  
(This Draft Red Herring Prospectus will be updated upon filing with ROC)  
**100% Book Built Issue**



## H.M. ELECTRO MECH LIMITED

**Corporate Identity Numbers: U45500GJ2018PLC102018**

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
305, Ashram Avenue, B/H. Kochrab Ashram, Paldi, Ahmedabad, Gujarat, 380006, India	-	Chetankumar Hiralal Solanki	<b>Tel No:</b> +91 079 40092538 <b>Email Id:</b> <a href="mailto:cs@hmelectromech.com">cs@hmelectromech.com</a>	<a href="http://www.hmelectromech.com">www.hmelectromech.com</a>
<b>PROMOTERS OF OUR COMPANY: DIPAK PADMAKANT PANDYA, MAHENDRA RAMABHAI PATEL, VARSHA MAHENDRA PATEL AND MITA DIPAK PANDYA</b>				
<b>DETAILS OF THE ISSUE</b>				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Up to 3700000 Equity Shares aggregating to ₹ [●] Lakhs	Nil	Up to 3700000 Equity Shares aggregating to ₹ [●] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.
<b>DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES</b>				
<b>RISK IN RELATION TO THE FIRST ISSUE</b>				
The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in “Basis for Issue Price” on page 76 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one Gujarati regional daily newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
<b>GENERAL RISKS</b>				
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled “Risk Factors” appearing on page 23 of this Draft Red Herring Prospectus.				
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.				
<b>LISTING</b>				
The Equity Shares issued through Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).				
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>				
NAME AND LOGO	CONTACT PERSON		EMAIL & TELEPHONE	
 <b>Beeline Capital Advisors Private Limited</b>	Mr. Nikhil Shah		<b>Email:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> <b>Tel. No:</b> 079 4918 5784	
<b>REGISTRAR TO THE ISSUE</b>				
NAME AND LOGO	CONTACT PERSON		EMAIL & TELEPHONE	
 <b>Cameo Corporate Services Limited</b>	Ms. K. Sreepriya		<b>Email:</b> <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a> <b>Tel. No:</b> +91-44-4002 0700 / 2846 0390	
<b>BID/ISSUE PERIOD</b>				
<b>ANCHOR INVESTOR BIDDING DATE: [●]*</b>	<b>BID/ISSUE OPENS ON: [●]</b>		<b>BID/ISSUE CLOSES ON: [●]**^</b>	

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

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

^The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Issue Closing Date.



## H.M. ELECTRO MECH LIMITED

Corporate Identity Numbers: U45500GJ2018PLC102018

Our Company was originally established in Year of 2003 as a partnership firm named as 'M/s H.M. Engineers' under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as "H. M. Electro Mech Limited" under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018. For details of change in registered office of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page no. 139 of this Draft Red Herring Prospectus.

Registered Office: 305, Ashram Avenue, B/H. Kochrab Ashram, Paldi, Ahmedabad, Gujarat, 380006, India

Website: [www.hmelectromech.com](http://www.hmelectromech.com); E-Mail: [cs@hmelectromech.com](mailto:cs@hmelectromech.com); Telephone No: +91 079 40092538

Company Secretary and Compliance Officer: Chetankumar Hiralal Solanki

PROMOTERS OF OUR COMPANY: DIPAK PADMAKANT PANDYA, MAHENDRA RAMABHAI PATEL, VARSHA MAHENDRA PATEL AND MITA DIPAK PANDYA

### THE ISSUE

INITIAL PUBLIC ISSUE OF UP TO 37,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF H.M. ELECTRO MECH LIMITED ("HMEML" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND AHMEDABAD EDITION OF [●] REGIONAL NEWSPAPER (GUJRATI REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED "BSE" FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 204 OF THIS DRAFT RED HERRING PROSPECTUS.

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

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229(2) of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" on page 215.

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, specific attention is invited to "Issue Procedure" on page 215 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Cap Price and the Issue Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 23 of this Draft Red Herring Prospectus.

### COMPANY'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on SME Platform of BSE 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 an In-Principle Approval letter dated [●] from BSE Limited ("BSE") for using its name in Issue document for listing our shares on the SME Platform of BSE Limited ("BSE SME"). For this Issue, the designated Stock Exchange is the BSE Limited ("BSE").

### BOOK RUNNING LEAD MANAGER



#### BEELINE CAPITAL ADVISORS PRIVATE LIMITED

SEBI Registration Number: INM000012917

Address: B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad- 380054, Gujarat, India.

Telephone Number: 079 4918 5784

Email Id: [mb@beelinemb.com](mailto:mb@beelinemb.com)

Investors Grievance Id: [ig@beelinemb.com](mailto:ig@beelinemb.com)

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

Contact Person: Mr. Nikhil Shah

CIN: U67190GJ2020PTC114322

### REGISTRAR TO THE ISSUE



#### CAMEO CORPORATE SERVICES LIMITED

SEBI Registration Number: INR000003753

Address: "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India

Tel. Number: +91-44-4002 0700 / 2846 0390

Email Id: [ipo@cameoindia.com](mailto:ipo@cameoindia.com)

Investors Grievance Id: [investor@cameoindia.com](mailto:investor@cameoindia.com)

Website: <https://wisdom.cameoindia.com>

Contact Person: Ms. K. Sreepriya - Vice President & Company Secretary

CIN: U67120TN1998PLC041613

### BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE: [●]\*

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]\*\*^

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

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

^The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Issue Closing Date.

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## SECTION I – DEFINATIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“H.M. Electro Mech”, “HMEL”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	H.M. Electro Mech Limited, a public limited company, registered under the Companies Act, 2013 and having its registered office at 305, Ashram Avenue, B/H. Kochrab Ashram, Paldi., Ahmedabad, Gujarat, 380006 India
Our Promoters	Dipak Padmakant Pandya, Mahendra Ramabhai Patel, Varsha Mahendra Patel and Mita Dipak Pandya
Promoter’s Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoter’s Group”.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “Our Management” on page 142 of this Draft Red Herring Prospectus.
Auditor of our Company / Statutory Auditor	The Statutory Auditor, being M/s. B.V. Gajera & Co. Chartered Accountants as mentioned in the section titled “General Information” beginning on page 46 of this Draft Red Herring Prospectus.
Bankers to the Company	ICICI Bank Limited
Board of Directors / Board/BOD	The Board of Directors of our Company, including all dully constituted committees thereof.
Companies Act	The Companies Act, 2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U45500GJ2018PLC102018
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Hareshkumar Ambalal Patel
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance officer of our Company, being Chetankumar Hiralal Solanki.
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
ED	Executive Director
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and as disclosed in “Information with respect to Group Companies” on page 189 of this Draft Red Herring Prospectus.

<b>Term</b>	<b>Description</b>
Independent Director	A Non-Executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INE0DZD01015
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “ <i>Our Management</i> ” on page 142 of this Draft Red Herring Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on February 26, 2024 in accordance with the requirements of the SEBI ICDR Regulations.
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Managing Director [MD]	MD means Managing Director of the company namely Dipak Padmakant Pandya; also referred to in this Draft Red Herring Prospectus as CMD being the Chairman and Managing Director of the Company
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 142 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management Act, 1999
Peer Reviewed Auditor	The Peer Reviewed Auditor of our Company, being M/s S V J K and Associates, Chartered Accountants, holding a valid peer review certificate, as mentioned in the section titled “ <i>General Information</i> ” beginning on page 46 of this Draft Red Herring Prospectus.
Registered Office	305, Ashram Avenue, B/H. Kochrab Ashram, Paldi., Ahmedabad, Gujarat, 380006, India.
Restated Financial Information	Restated Financial Statements along with Report from the peer review certified auditor – M/s. S V J K and Associates, Chartered Accountants, Ahmedabad, for period ended on December 31, 2023 and for the year ended March 31, 2023, 2022, and 2021 included in the Draft Red Herring Prospectus.
ROC / Registrar of Companies/ CRC	Registrar of Companies, Ahmedabad. / Central Registration Centre
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 142 of this Draft Red Herring Prospectus.
Whole-Time Director [WTD]	Whole-Time Director of our Company, being Mahendra Ramabhai Patel.

#### ISSUE RELATED TERMS

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges

Terms	Description
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled ' <i>Basis of allotment</i> ' under chapter titled ' <i>Issue Procedure</i> ' starting from page no. 215 of this Draft Red Herring Prospectus.
BSE SME	SME Platform of BSE Limited
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term " <i>Bidding</i> " shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Ahmedabad (a widely circulated regional language daily newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located). Our Company in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Ahmedabad (a widely circulated regional language daily newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located).
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders. Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days

<b>Terms</b>	<b>Description</b>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Draft Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Beeline Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.
Bankers to the Issue and Refund Banker	[●]
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at

Terms	Description
	<a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Intermediaries/ Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Stock Exchange	SME Platform of BSE Limited (“BSE SME”)
DP ID	Depository Participant’s Identity Number
Draft Red Herring Prospectus	Draft Red Herring prospectus dated June 28 2024 issued in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Engagement Letter	The Engagement letter dated August 24, 2023 executed between Issuer and BRLM.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	Accounts opened with the Banker to the Issue
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fresh Issue	The Fresh Issue up to 3700000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated

Terms	Description
	November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
IPO/ Issue/ Issue Size/ Public Issue	Initial Public Offering
Issue document	Includes Red Herring Prospectus and Prospectus filed with Registrar of Companies.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “Objects of the Issue” page 67 of this Draft Red Herring Prospectus
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering/ IPO	The initial public offering of Up to 3700000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●]/- per Equity Share).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	The Market Maker to the Issue, in this case being [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net Proceeds	The proceeds from the Fresh Issue less the Issue related expenses applicable to the Fresh Issue
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Offer Document	Offer Document includes Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date
Prospectus	The Prospectus to be filed with the ROC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.

<b>Terms</b>	<b>Description</b>
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar / Registrar to the Issue	Registrar to the Issue being Cameo Corporate Service Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors /(RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="https://www.bseindia.com/invest/find-a-stock-broker">https://www.bseindia.com/invest/find-a-stock-broker</a>
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI(ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●].
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.

<b>Terms</b>	<b>Description</b>
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022 and as amended pursuant to SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business: - However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

#### **TECHNICAL AND INDUSTRY RELATED TERMS**

<b>Term</b>	<b>Description</b>
AMC	Ahmedabad Municipal Corporation
DGS	Diesel Generating Sets
DI	Ductile iron
EMD	Earnest Money Deposit
EOT	Electric Overhead Traveling
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
ESR	Elevated Service Reservoir
GIDC	Gujarat Industrial Development Corporation
GMC	Gandhinagar Municipal Corporation
GUDA	Gandhinagar Urban Development Authority
GWIL	Gujarat Water Infrastructure Limited
GWSSB	Gujarat Water Supply & Sewerage Board
GWRDC	Gujarat Water Resources Development Corporation



<b>Term</b>	<b>Description</b>
HSCF	Horizontal Split Casing Centrifugal
ICD	Inland Container Depot
ISO	International Organization for Standardization
JV	Joint Venture
KWH	kilowatt hour
MLD	Million Litre Per day
MS	Mild Steel
NAA	Notified Area Authority
O&M	Operations and Maintenance
OEM	Original Equipment Manufacturers
PLCs	Programmable Logic Controllers
PLC-SCADA	Programmable Logic Controller and Supervisory Control and Data Acquisition
PMC	Project Management Consultant
QAP	Quality Assurance Plan
RCC	Reinforced cement concrete
SITC	Supply, Installation, Testing and Commissioning
TRD	Traction Distribution Department
TPI	Third Party Inspection
UPS	Uninterruptible Power Supply
UPVC	Unplasticized Polyvinyl Chloride
VCB	Vacuum Circuit Breaker
VT	Vertical Turbine
WSS	Water Supply Scheme
WTP	Water Treatment Plant

#### CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

<b>Term</b>	<b>Description</b>
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.

<b>Term</b>	<b>Description</b>
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EOGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FIs	Financial Institutions
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Fis	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MW	Megawatt
NA	Not Applicable
NAV	Net Asset Value

<b>Term</b>	<b>Description</b>
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RFO	Revenue From Operations
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India

<b>Term</b>	<b>Description</b>
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>

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## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

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

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

### Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and in Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and Restated Financial Statements, for period ended on December 31, 2023 and for the year ended March 31, 2023, 2022, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Restated Financial Information of our Company*” beginning on page 164 of this Draft Red Herring Prospectus. Our financial year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Business Overview*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Restated Financial Information prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Restated Financial Information*” beginning on page 164 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Description of Equity Shares and Terms of the Articles of Association*”, on page 247 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “Lakhs” units. One Lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### Use of Industry & Market Data

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

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

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

In accordance with the SEBI (ICDR) Regulations, the section titled "*Basis for Issue Price*" on page 76 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

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## FORWARD – LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

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

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

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For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”; “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page 23, 100 and 166 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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



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## SECTION II - SUMMARY OF DRAFT RED HERRING PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories.

Our company is ISO 9001:2015 certified and approved Electrical contractor in Class 'A' (highest category for Electrical Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) and Class 'AA' (highest category for EPC Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) with Irrigation division of Government of Gujarat. The Company is an approved electrical contractor with State Government of Rajasthan also under Indira Gandhi Nahar Pariyojana, Bikaner. Our Company is authorized by Government of Gujarat Energy and Petrochemicals Department to carry out Electrical Installation Works in the Gujarat State.

The company has achieved a great reputation in this field within a short span of time with its strong & effective management and intime project execution. We are proud to highlight our accomplishments and ongoing efforts in various projects. Since 2018 we have completed 12 projects having aggregating of Rs. 11629.86 lakhs. Apart from this, currently we are engaged in 30 ongoing projects having aggregating of Rs. 38541.23 lakhs. These projects not only met but exceeding our clients' expectations, providing a lasting benefit to the community. It underscores our commitment to delivering high quality, impactful projects that meets diverse needs and drive progress.

The key clients of our company include State Governments, Central Government, Municipal corporations, banking sector and educational institutes etc. We have a locational advantage in the state of Gujarat where our registered office is situated with nearly 80% of our total revenue.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

#### GLOBAL ECONOMY

The global engineering services market is anticipated to witness substantial growth, expanding from \$1,147 billion in 2023 to \$1,188.41 billion in 2024, reflecting a compound annual growth rate (CAGR) of 3.6%. The growth in the historic period can be attributed to increased demand for industrial robots, a rise in industrial automation and implementation of industry 4.0 factors that negatively affect growth in the historic period were the lack of quality control and safety concerns of engineering firms.

The engineering services market is expected to benefit from steady economic growth in developed and developing countries at a CAGR of 3.6%. The growth in the forecast period can be attributed to increasing digitization, rising demand for IoT (Internet to things) solutions for smart manufacturing, rising prominence of robots in the construction industry, government investments in aviation industry, continuous development of smart cities and a rapid adoption of smart technologies.

#### INDIAN ECONOMY

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

The Indian industrial fasteners market is expected to reach a value of Rs. 460 billion by 2023 expanding at a CAGR of ~9.6% from 2018. India steam boiler systems market size is expected to reach nearly US\$ 22.56 billion by 2027 with the CAGR of 4.63% during the forecast period. The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025. The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25. Indian switchgear market is projected to grow at a CAGR of over 15% through 2023, on account of rising development across residential, commercial and industrial end use sectors.

India material handling equipment market share is anticipated to grow significantly from 2017-2024 due to an attractive economic landscape, and significant demand for goods movement. Material handling equipment have four categories: storage and handling equipment, engineered systems, industrial trucks and bulk material handling. The Indian material handling equipment sector has grown at a CAGR of 10% between 2016-2020.

### ENGINEERING & CONSTRUCTION (E&C) INDUSTRY

The built environment is a multifaceted composition of social and economic infrastructures, involving key drivers such as engineering and construction service providers and owners, manufacturers, building material providers, and governmental and regulatory entities. It majorly works on EPC (Engineering, Procurement and Construction) contracts by the way of contractual agreement between a project owner and the contractor. This framework allows the owner to transfer the complete risk of design, procurement and construction to the contractor where the contractor is solely responsible for completing the project and handing it over to the owner in a turnkey condition. This is why EPC contracts are sometimes called turnkey construction contracts or simply turnkey contracts.

Over the next few years, this industry is expected to shift further toward a productized workflow. This approach can reduce the uniqueness of projects by selecting from catalogues or libraries of designs, stabilize the value chain with recurring business, embrace sustainability and circularity at its core, and take out a lot of on-site construction hours known for notoriously low productivity. At the centre of this radical shift lies technology as the catalyst and accelerator. In such a challenging environment, service excellence continues to be critical to the success of engineering and construction companies as they work to guard their value addition and capture new opportunities. Over the last few years, engineering and construction clients have elevated their expectations for a smarter built environment including smart homes, buildings, and infrastructure. They want to optimize their energy use, resolve service issues immediately, and get more value out of their built assets.

The strategic expansion of services may deliver a win-win for engineering and construction companies and for their customers. this approach fosters higher levels of customer satisfaction, as companies can cater to a broader range of client needs and preferences, thereby strengthening client relationships and establishing a positive reputation in the industry.

#### **NAME OF PROMOTERS**

Promoters of Our Company are Dipak Padmakant Pandya, Mahendra Ramabhai Patel, Varsha Mahendra Patel and Mita Dipak Pandya. For detailed information on our Promoter and Promoter's Group, please refer to Chapter titled "Our Promoter and Promoter's Group" on page no. 157 of this Draft Red Herring Prospectus.

#### **SIZE OF THE ISSUE**

Our Company is proposing the Public Issue of up to 3700000 equity shares of face value of ₹ 10/- each of H.M. Electro Mech Limited ("HMEML" or the "Company" or the "Issuer") for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the "Issue Price") aggregating to ₹ [●] lakhs ("The Issue"), of which [●] equity shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker to the issue (the "Market Maker Reservation Portion"). The issue less the market maker reservation portion i.e. Net issue of [●] equity shares of face value of ₹ 10/- each at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs is herein after referred to as the "Net Issue". The Issue and the Net Issue will constitute [●] % and [●] %, respectively, of the post issue paid up equity share capital of our company. The Face Value of the equity shares is ₹ 10/- each. The price band will be decided by our company in consultation with the Book Running Lead Manager ("BRLM") and will be advertised in all editions of the English national newspaper, all editions of the Hindi national newspaper and regional language newspaper, each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the SME platform of BSE Limited ("BSE SME", referred to as the "Stock Exchange") for the purpose of uploading on their website for further details kindly refer to chapter titled "Terms of the Issue" beginning on page 204 of this Draft Red Herring Prospectus.

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

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds
1.	To Meet Working Capital Requirements	2,100.00	[●]
2.	General Corporate Purposes <sup>^</sup>	[●]	[●]
<b>Net Issue Proceeds</b>		[●]	[●]

<sup>^</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

#### **SHAREHOLDING**

The shareholding pattern of our Promoter and Promoter's Group before the Issue is as under:

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mahendra Ramabhai Patel	2500000	25.00	2500000	[●]
2.	Dipak Padmakant Pandya	2500000	25.00	2500000	[●]
3.	Mita Dipak Pandya	2475000	24.75	2475000	[●]
4.	Varsha Mahendra Patel	2475000	24.75	2475000	[●]
<b>Total – A</b>		<b>9950000</b>	<b>99.50</b>	<b>9950000</b>	[●]
<b>Promoter's Group</b>					
5.	Suhani Swapnil Patel	20000	0.20	20000	[●]
6.	Harshalkumar Mahendrakumar Patel	10000	0.10	10000	[●]
7.	Pinal Mahendra Patel	10000	0.10	10000	[●]
8.	Twinkal Sagarkumar Paneliya	10000	0.10	10000	[●]
<b>Total – B</b>		<b>50000</b>	<b>0.50</b>	<b>50000</b>	[●]
<b>Public</b>					
9.	Public in IPO	-	-	[●]	[●]
<b>Total-C</b>		<b>-</b>	<b>-</b>	[●]	[●]
<b>Total (A+B+C)</b>		<b>10000000</b>	<b>100.00</b>	[●]	[●]

\*Rounded off

#### SUMMARY DERIVED FROM THE RESTATED FINANCIAL INFORMATION

The following information has been derived from our Restated Financial Information as at / for the Financial Years ended March 31, 2021, March 31, 2022 and March 31, 2023, and as at / for the nine months ended December 31, 2023:

(₹ in Lakhs)

Sr. No.	Particulars	For the period / year ended			
		December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	1,000.00	1,000.00	1,000.00	1,000.00
2.	Net worth	2,936.30	2,408.03	1,806.88	1,548.89
3.	Revenue from operations	7,526.67	10,148.70	6,184.32	4,696.89
4.	Profit After Tax	528.27	601.15	258.00	201.59
5.	Earnings Per Share – Basic & Diluted	5.28	6.01	2.58	2.02
6.	NAV per Equity Shares	29.36	24.08	18.07	15.49
7.	Total Borrowings	1,447.63	639.59	18.18	152.26

#### AUDITORS' QUALIFICATIONS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

#### OUTSTANDING LITIGATIONS

There are no pending Litigation against our Company nor against our Promoter or Directors of the company except mentioned below:

Amt. (₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/ demanded to the extent ascertainable
<b>Litigations against the Company</b>		
Criminal litigation	Nil	Nil
Other Litigation	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>
<b>Litigations filed by our Company</b>		
Criminal Litigation	1	90.00

Other Litigation	Nil	Nil
<b>Total</b>	<b>1</b>	<b>90.00</b>
<b>Litigations filed by or against our promoters: -</b>		
Criminal Litigation	Nil	Nil
Other Litigations	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

#### Tax Proceedings

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)
<b>Of the Company</b>		
TDS default	0	0.00
Indirect Tax (GST)	3	72.86
<b>Of the Promoter &amp; Director</b>		
<b>Mita Pandya</b>		
Income Tax	1	0.18
<b>Total</b>	<b>4</b>	<b>73.04</b>

\*To the extent quantifiable

#### RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Issue Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Issue Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Issue Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 23 of this Draft Red Herring Prospectus.

#### CONTINGENT LIABILITIES

##### Based on Restated Financial Statements

Particulars	(₹ in Lakhs)			
	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Bank Guarantee	1584.62	1005.35	779.46	588.28

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

#### COST OF ACQUISITION & WEIGHTED AVERAGE COST

##### Weighted average price at which the Equity Shares were acquired by our Promoter in Last One Year:

Sr. No.	Name of Promoter	No of Equity Shares Acquired during the last one year	Weighted Average Price* (in ₹ per equity share)
1.	Mahendra Ramabhai Patel	-	Nil
2.	Dipak Padmakant Pandya	-	Nil
3.	Mita Dipak Pandya	-	Nil
4.	Varsha Mahendra Patel	-	Nil

#### AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTER

Sr. No.	Name of Promoter	No of Equity Shares Acquired during the last one year	Weighted Average Price* (in ₹ per equity share)
5.	Mahendra Ramabhai Patel	2500000	10
6.	Dipak Padmakant Pandya	2500000	10
7.	Mita Dipak Pandya	2475000	10
8.	Varsha Mahendra Patel	2475000	10

#### PRE-IPO PLACEMENT

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

#### ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

There is no Issue of shares for consideration other than cash from the date of this Draft Red Herring Prospectus.

#### SPLIT / CONSOLIDATION

There is no Split of shares as on the date of this Draft Red Herring Prospectus.

#### RELATED PARTY TRANSACTIONS

##### List of Related Parties where Control exists and Relationships:

Sr. No	Name of the Related Party	Relationship
1)	Dipakbhai P Pandya	Key Managerial Persons
2)	Mahendrabhai Patel	
3)	Mitaben D Pandya	
4)	Varshaben Patel	
5)	Haresh A Patel	
6)	Harshal Patel	Relatives Of KMP
7)	Pinal Patel	
8)	Suhani S. Patel	
9)	Indcon Panels Private Limited	Director Having Significant Influence

(₹ in Lakhs)

Transactions during the year:	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
<b>Remuneration And Salary</b>				
Dipakbhai P Pandya	36.00	48.00	48.00	48.00
Mahendrabhai Patel	36.00	48.00	48.00	48.00
Mitaben D Pandya	36.00	48.00	48.00	24.00
Varshaben Patel	36.00	48.00	48.00	24.00
Haresh A Patel	7.80	8.96	6.68	5.91
Suhani S Patel	-	4.80	0.22	-
Pinal Patel	-	-	0.22	-
<b>Reimbursement of Expenses</b>				
Haresh A Patel	0.64	-	0.28	1.20
Harshal Patel		1.15	0.10	-
Pinal Patel			-	-
Mahendrabhai Patel	0.29	-	0.12	-
<b>Labour Expense</b>				
Harshal Patel	-	-	-	14.11
Pinal Patel	-	-	-	14.11
<b>Professional fees(consultancy)</b>				

Transactions during the year:	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Harshal Patel	-	-	-	5.00
Pinal Patel	-	-	-	5.00
<b>Loan/Advances given</b>				
Haresh A Patel			-	3.50
<b>Loans received from Related parties</b>				
Varshaben Patel	-	-	-	12.00
<b>Loans received back from Related parties</b>				
Haresh A Patel	-	-	-	3.50
<b>Loans repaid to Related parties</b>				
Varshaben Patel		-	-	12.00

(₹ in Lakhs)

Outstanding Balance Receivables / (Payable)	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Salary payable</b>				
Dipakbhai P Pandya	80.04	64.90	69.72	80.28
Mahendrabhai Patel	32.64	9.72	9.69	18.51
Mitaben D Pandya	41.85	19.21	16.20	7.97
Varshaben Patel	43.83	22.19	24.96	5.47
<b>Trade payable/Other Payable</b>				
Haresh A Patel	0.53	0.64	-	-
Pinal Patel	17.35	19.35	18.35	32.13
Harshal Patel	5.73	17.38	21.18	25.63
Suhani S Patel	0.80	2.80	1.82	3.60
<b>Advances</b>				
Haresh A Patel		-	1.76	0.70
<b>Earnest Money Deposit</b>				
Indcon Panels Private Limited	24.00	24.00	24.00	24.00

#### EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Draft Red Herring Prospectus.

### SECTION III – RISK FACTOR

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “Business Overview”, “The Issue”, “Industry Overview”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 100, 42, 87, 164, 181 and 166 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial conditions and Draft Red Herring Prospects.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Standalone Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

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

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.

#### **INTERNAL RISK FACTORS**

1. ***Our Company, promoters and directors are involved in 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, Promoters and Directors is involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company as on the date of this Draft Red Herring Prospectus along with the amount involved, to the extent quantifiable.

#### **Litigations against the Company**

Nature of Cases	No. of Outstanding Cases	Amt. (₹ in lakhs)
		Amount in dispute/ demanded to the extent ascertainable
Criminal litigation	Nil	Nil
Other Litigation	Nil	Nil
<b>Total</b>	Nil	Nil

#### **Litigations filed by our Company**

Nature of Cases	No. of Outstanding Cases	Amt. (₹ in lakhs)
		Amount in dispute/ demanded to the extent ascertainable
Criminal Litigation	1	90.00
Other Litigation	Nil	Nil

<b>Total</b>	1	90.00
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**Litigations filed by or against our promoters: -**

*Amt. (₹ in lakhs)*

<b>Nature of Cases</b>	<b>No. of Outstanding Cases</b>	<b>Amount in dispute/ demanded to the extent ascertainable</b>
Criminal Litigation	Nil	Nil
Other Litigations	Nil	Nil
<b>Total</b>	Nil	Nil

**Tax Proceedings**

<b>Nature of Proceedings</b>	<b>Number of cases</b>	<b>Amount involved* (Rs. in lakhs)</b>
<b>Of the Company</b>		
TDS default	0	0.00
Indirect Tax (GST)	3	72.86
<b>Of the Promoter &amp; Director</b>		
<b>Mita Pandya</b>		
Income Tax	1	0.18
<b>Total</b>	<b>4</b>	<b>73.04</b>

*\*To the extent quantifiable*

*The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 181 of this Draft Red Herring Prospectus.*

2. ***Our On-going Projects (Order Book) may not be representative of our future results and our actual income may be significantly less than the estimates reflected in our Order Book, which could adversely affect our results of operations.***

Our On-going Projects (Order Book) does not necessarily indicate future earnings related to the performance of that work. Our Order Book refers to expected future revenues under signed contracts or contracts where letters of intent have been received. Order Book projects represent only business that is considered firm, although deferments, withdrawals, cancellations or unanticipated variations or scope or schedule adjustments may occur. Due to changes in project scope and schedule, we cannot predict with certainty when or if our Order Book will be performed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. We cannot guarantee that the income anticipated in our Order Book will be realized, or, if realized, will be realized on time or result in profits. Any project cancellations or scope adjustments, which may occur from time to time, could reduce the amount of our Order Book and the income and profits that we ultimately earn from the contracts. Any delay, cancellation or payment default could have a material adverse effect on our business, results of operation and financial condition.

Our Current Order Book has been calculated on the basis of the aggregate contract value of our ongoing projects as certified by B.V. GAJERA & CO, dated May 28, 2024 along with Revenue booked till December 31, 2023. For the purposes of calculating the Order Book value, we do not take into account any escalation or change in work scope of our ongoing projects as of the relevant date. The manner in which we calculate and present our Order Book is therefore not comparable to the manner in which our revenue from operations is accounted, which takes into account revenue from work relating to escalation or changes in scope of work of our projects. The manner in which we calculate and present our Order Book information may vary from the manner in which such information is calculated and presented by other companies, including our competitors.

The Order Book information included in this Draft Red Herring Prospectus is not audited and does not necessarily indicate our future earnings. Our Order Book should not be considered as a substitute for performance measures. As of March 31, 2024, our Order Book includes projects with aggregate value of ₹ 38,541.23 Lakhs. For further details on our Order Book, see “Business Overview – Our Major On-going Project” on page 100 of this Draft Red Herring Prospectus. We may encounter problems executing the Projects as ordered, or executing it on a timely basis. Moreover, factors beyond our control may postpone a project or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions, and other types of difficulties or obstructions. Delays in the completion of a project can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such project. Even relatively short delays or surmountable difficulties in the execution of a project could result in our failure to receive, on a timely basis or at all, all payments otherwise due to us on a project. These payments



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often represent an important portion of the margin we expect to earn on a project. In addition, even where a project proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to our Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could materially harm our cash flow position, revenues and earnings.

No material effect on business, financial condition and profitability of the issuer Company for such instances, as these factors are external factors, we have not experienced any delay due to any internal factors in past. Further, no assurance can be given that this will not be happen in future. Accordingly, the realization of our Order Book and the effect on our results of operations may vary significantly from reporting period to reporting period depending on the nature of such contracts, actual performance of such contracts, as well as the stage of completion of such contracts as of the relevant reporting date.

**3. *Our business is working capital intensive involving relatively long implementation periods. We require substantial financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

Typically, projects in the Engineering & Construction (E&C) industry which we undertake are working capital intensive in nature and require us to obtain financing through various means the successful operation of our business heavily relies on significant working capital, which is essential for various aspects, including financing project operations, inventory management, and the purchase of raw materials and may continue to be so in future also. As on December 31, 2023, our total short-term borrowings stood at ₹ 1,045.87 Lakhs.

Our present work orders often necessitate providing performance bank guarantees, letters of credit, and security deposits to secure contractual obligations with clients. Failure to provide sufficient collateral may limit our ability to enter into new contracts. Acquiring these financial instruments to secure contracts increases our working capital needs. However, we may encounter challenges in obtaining a sufficient number of letters of credit, bank guarantees, and performance bonds to meet our business requirements, potentially restricting our operations.

The combination of these factors places a substantial demand on our working capital, making its management and optimization a critical aspect of our business strategy. Whether we can obtain such financing on acceptable terms is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor's confidence, our levels of existing indebtedness and other factors beyond our control. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns, changes 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. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company and could adversely impact our Equity Share price. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure, our business, results of operations and financial condition.

**4. *Our business requires the services of third party manufacturers and suppliers, which entail certain risks.***

Our business generally requires the services of third-party manufacturers and suppliers of machine parts, capital items and materials. The timing and quality of the machinery parts we install, depends on the availability and skill of those third parties, as well as contingencies affecting them, including labour and material shortages and industrial action, such as strikes and lockouts. Though these third-party manufacturers are approved manufacturers by us which we approve considering the timelines in which they can execute the contracts given by us to avoid any delays in execution of our principal contract, We cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we need to execute our projects. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services, and any delay in project execution could adversely affect our profitability. There is also a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing orders or issue new orders under a subcontract. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed upon supplies and/or perform the agreed-upon services, our ability to fulfil our obligations as a prime contractor may be jeopardized. In most instances, there is no contractual relationship between our customers and our suppliers, subcontractors. Consequently, we would have to seek remedies from our suppliers or sub-contractors, as the case may be, should any

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service or product liability claim be made by our customers against us. In case of any such claim against us, even if it is not proven, our reputation may suffer and our business may be materially and adversely affected. We cannot assure you that claims of such nature will not be brought against us, which could have a material adverse effect on our reputation, business and financial performance.

5. ***We do not own the place where our registered office is situated. In case of non-renewal of rent agreements/cancellation of the NOCs given so far or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

Our registered office, from where we run our operations has been by us on No objection from the owners of the property on No rent basis. In the event of termination/non-renewal of said NOC, we may be required to vacate the said property which may cause disruption in our operations, which could temporarily impact on our business operations until we get suitable alternative premises. For further details about the properties being used by the company, please refer to the section titled “Business Overview” beginning on page 100 of this Draft Red Herring Prospectus.

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

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

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

7. ***Our projects are typically awarded to us on satisfaction of prescribed pre-qualification criteria and following a competitive bidding process. Our business and our financial condition may be adversely affected if new projects are not awarded to us.***

Our contracts are generally obtained through a competitive bidding process which involves certain prequalification criteria like net worth, experience, capacity and performance, reputation for quality, safety record, financial strength and bidding capacity and size of previous contracts in similar projects. In selecting contractors for major projects, customers generally limit the tender to contractors they have pre-qualified based on these criteria, although price competitiveness of the bid is the most important selection criterion. Our ability to bid for and win such projects is dependent on our ability to show experience of working on similar or larger projects and developing strong execution capabilities and credentials to execute more challenging projects. The growth of our business mainly depends on our ability to obtain new contracts in the sectors in which we operate. Generally, it is very difficult to predict whether and when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of work and completion of projects in the scheduled time period. If we fail to qualify or are unable to obtain new contracts, our business and financial condition could be adversely affected.

8. ***The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.***

Time is often of the essence in our projects. We typically enter into contracts which provide for liquidated damages for time overruns. In the event there are delays in our current or future orders and we are unable to receive extensions from our customers, we may be exposed to liquidated damages and termination apart from entailing significant cost

and time overruns. Additionally, in some contracts, in case of delay due to deficiency in services or because of defective work done by us, clients may have the right to complete the work at our risk and cost. Apart from that the clients retain certain percentage of the contract value after the completion of the project as retention money to be released at the successful completion of Defect Liability Period. As at December 31, 2023, Total Security Deposit stood at ₹ 1,172.52 lakhs.

Further, our subcontractors may not have adequate financial resources to meet their indemnity obligations to us. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. Faults in design and execution might also require repair work, which may not be foreseen. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

**9. Our business is dependent on the sale of our products and services to certain key customers. The loss of any such customers or a significant reduction in the sales made to such customers, could materially adversely affect our business, results of operations and financial condition.**

We derive a significant portion of our revenues from limited number clients. For the nine months period ending December 31, 2023, Financial year ended March 31, 2023, 2022, and 2021. Our revenue from top 1/3/5/10 clients are as follows:

Particulars	% contribution to revenue from operations			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Customer	17.48%	17.54%	19.92%	14.22%
Top 3 Customers	31.11%	49.60%	48.51%	37.55%
Top 5 Customers	41.84%	66.49%	59.66%	52.00%
Top 10 Customers	60.62%	82.47%	76.36%	79.53%

Significant revenue from a limited number of clients increases the potential volatility of our results and exposure to individual contract risks. We may be required to accept onerous contractual terms in our contracts for projects awarded to us by such clients. While our Company has not experienced such instances in the past, in the event that our Company is unable to comply with its obligations in any contract with such top ten (10) clients, it would result in a substantial reduction in the number of contracts awarded by such client in future resulting in an impact on the overall business and revenue generated by the Company from such client. Further, such concentration of our business on selected projects or clients may have an adverse effect on our results of operations. We cannot assure you that we can maintain the same levels of business from our ten (10) clients. Furthermore, events such as adverse market conditions, any restructuring or changes in the regulatory regime, could adversely affect our clients and consequently impact our business.

Our experience in Electrical Engineering sector and ability to offer timely and efficient completion of work as per the agreed upon terms has enabled us to maintain our continued eligibility and qualification for bidding for projects. However, due to certain unforeseen circumstances such as, failure to obtain licenses and approvals or rights over a land, public interest litigations filed by environmentalists against the proposed projects, our clients may either terminate our contracts or may default and fail to pay amounts owed, which may adversely affect our Order Book and in turn, can impact our business and financial condition. Further, in the event we are unable to complete our projects within the time period prescribed under our contracts or within the extended period of contract, or the quality of our work deteriorates, then our relationship with our clients may get severed and we may not get further orders from our current clients which could adversely affect our business.

**10. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.**

Our business depends on the availability of reasonably priced, high quality raw materials in the quantities required by us and we depend on a few suppliers for procurement of raw materials, required for completion of Project. Top ten suppliers of our company for period/year ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 contributed for 71.07%, 69.57%, 54.34% and 47.27%, respectively of our purchases.

We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Since we have no formal arrangements with our suppliers, they are not contractually obligated to supply their products to us and may choose to sell their products to our competitors. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the completion of project, could have a material adverse effect on our business. Further, any discontinuation of production by these

suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our execution schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside us.

**11. The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.**

The restated financial statements of our Company for the stub period ended on December 31, 2023 and financial year ended March 31, 2023, 2022 and 2021 have been furnished by a peer-reviewed chartered accountant who is not the statutory auditor of our Company.

Since, our statutory auditor does not possess a valid peer-reviewed certificate as on date of filing this Draft Red Herring Prospectus, and has applied for the same, As on date, Statutory Auditor has not received the certificate. Therefore, restated financial statements was entrusted to the aforementioned peer-reviewed chartered accountant.

**12. Our results of operations and cash flows could be adversely affected, if we are unable to collect our dues and receivables from, or invoice our unbilled services to, or retention money to our clients.**

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. There is no guarantee that we will accurately assess the creditworthiness of our clients. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

**13. An inability to effectively manage project execution may lead to project delays which may affect our business and results of operations.**

Our business is dependent on our ability to effectively manage the execution of our projects. An inability to effectively manage our operations, including ineffective or inefficient project management procedures could increase our costs and expenses, result in project delays and thereby affect our profitability. The effectiveness of our project management processes and our ability to execute projects in a timely manner may be affected by various factors. Additionally, in some projects, in case of delay due to our fault or because of defective work done by us, clients have the right to rectify the defective work, or engage a third party to complete the work and deduct additional costs or charges incurred for completion of the work from the project price payable to us. Though we have had no such instances of delays or inefficient project management in any of the projects executed by us so far, any occurrence of such instances or factors beyond our control, would have an effect on our results of operations and financial condition.

**14. Majority of our Revenue from Operation (RFO) is generated from state of Gujarat and Rajasthan. Any adverse development affecting our operations in this region could have an adverse impact on our business, financial condition and results of operations**

We derive 79.60% and 18.53% of our revenue from State of Gujarat and Rajasthan respectively for the period ended December 31, 2023. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in these regions to expand our operations in other parts of India.

Revenue from projects undertaken in the state of Gujarat and Rajasthan for the past three financial years and for the period ended December 31, 2023 is mentioned in the table below:

Particulars	For the Financial Year/ period ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO
Revenue from Gujarat	5,990.91	79.60	7,963.89	78.47	4,689.35	75.83	3,987.48	84.90

Particulars	For the Financial Year/ period ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO	(₹ in Lakhs)	% of RFO
Revenue from Rajasthan	1,394.85	18.53	1,427.20	14.06	422.68	6.83	337.46	7.18
Others	140.91	1.87	757.61	7.47	1,072.29	17.34	371.95	7.92
<b>Total Revenue from operations</b>	<b>7,526.67</b>	<b>100.00</b>	<b>10,148.70</b>	<b>100.00</b>	<b>6,184.32</b>	<b>100.00</b>	<b>4,696.89</b>	<b>100.00</b>

The concentration of our business in Gujarat and Rajasthan subjects us to various risks, including but not limited to:

- Regional slowdown in activities in the state(s);
- vulnerability to change of policies, laws and regulations or the political and economic environment of Gujarat and Rajasthan;
- constraint on our ability to diversify across state(s); and

While we strive to geographically diversify our project portfolio and reduce our concentration risk, we cannot assure you that developments in Gujarat and Rajasthan will not impact our business. If we are unable to mitigate the concentration risk, we may not be able to develop our business effectively and our business, financial condition and results of operation could be adversely affected.

**15. *Our customers have a right to cancel the contract by giving a minimal notice on the occurrence of certain events. Any such cancellation may adversely affect our business, financial condition and results of operations.***

Our contracts usually provide for a right to our customer(s) to cancel the contract upon the occurrence of certain events such as, among other things, our failure to comply with the terms of the purchase order including specifications and other technical requirements; our failure to carry out the work as per the schedule or to maintain the acceptable quality of the workmanship or to observe the safety precautions at site or noncompliance of rules and regulations of local and government policies or non-compliance of any other conditions of the agreement. Further, our contracts may also provide that the customer shall not be responsible for any payment for any loss sustained by us by reason of our having purchased any materials or entered into any commitments or made any advances in connection with the execution of the contract. In the event any of the above events occur, our contract may be cancelled which may adversely affect our business, financial condition and results of operations. Further, such termination may also affect our reputation and growth prospects.

**16. *We face significant competition in our industry, which may reduce our market share and adversely affect our business, financial condition, results of operations and prospects.***

Our industry is highly competitive and our results of operations and financial conditions are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. Competition in our industry is significant.

We compete directly against other companies with substantial market share, as well as against domestic, regional competitors and local un-organized players. We compete primarily on the basis of price range, brand image, performance and quality. We believe that in order to compete effectively, we must continue to maintain our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and offer clients services at affordable prices. Some of our competitors may be larger than us in terms of business volume. In addition, our competitors that are smaller specialized companies may compete effectively against us based on price and their concentrated size and focus. For details of our competitors, see the section “**Business Overview**” on page 100 of this Draft Red Herring Prospectus.

**17. *We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations and financial condition.

**18. Our pricing structures may not accurately anticipate the cost and complexity of performing our work and if we are unable to manage costs successfully, then certain of our contracts could be or become unprofitable**

We negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, we may use time-and-materials pricing, pursuant to which we typically invoice on periodical basis for the services that we provide to our client. In certain instances, we enter into time-and materials pricing arrangements, but with the inclusion of fixed-price elements for certain specified services. Our ability to improve or maintain our profitability is dependent on managing our costs successfully. Our cost management strategies include maintaining appropriate alignment between the demand for our services and our resource capacity, optimizing the costs of service delivery through business process digitalization and deployment of tools, and effectively leveraging our sales and marketing and general and administrative costs. Our contracts could yield lower profit margins than anticipated, if we do not accurately estimate the resources required, costs and timing for completing projects, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe. In particular, any increased or unexpected costs, or wide fluctuations compared to our original estimates or delays, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside of our control, could make these contracts less profitable or unprofitable, which could adversely impact our profit margin. However, our contracts usually provide for escalation and delay charges clause to minimize such risks.

**19. We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.**

As on December 31, 2023, we have contingent liability of ₹ 1,584.62 lakhs which have not been provided in our financial statements and which could affect our financial position.

*(₹ in lakhs)*

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Bank Guarantee	1,584.62	1,005.35	779.46	588.28

For further details of the contingent liabilities and commitments of our Company as on December 31, 2023, see “**Restated Financial Information**” on page 164 of this Draft Red Herring Prospectus. If a significant portion of these liabilities materialize, fully or partly, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future

**20. Our Company has availed unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.**

Our Company has availed unsecured loans from financial institutions which may be called by their lenders at any time. As on December 31, 2023 the unsecured loan amounting ₹ 723.19 lakhs were due to lenders. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer “Annexure I.3 & I.5” respectively under chapter titled “Restated Financial Information” beginning on page 164 of this Draft Red Herring Prospectus

**21. Our Company has delayed in compliance of certain statutory provisions under Companies Act. Such delayed compliances/ lapses may attract penalties.**

Our company has missed to comply with certain statutory provisions in the past within due dates including but not limited to the details as mentioned in this risk factor There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which includes late filing of Form MGT-14 for borrowings as approved by Board of Directors under Sec 179 (3) read with Section 117 of the Companies Act, 2013, for payment of remuneration to directors, improper re-appointment of Managing Director and Whole-time Director 2 years before completion of their earlier tenure. Though at present, this error has been rectified by the company and the present MD and whole-time director are validly and properly appointed.

Further there have been clerical errors in the annual returns filed by our Company with the ROC in past years, for instance, the Annual returns filed for the FY 2020-21 and 2021-22 have been filed with erroneous information with respect to opening values of number of shares in demat and those in physical and Annual return of FY 2020-21 regarding remuneration paid to Directors of the Company.

Although, no show cause notice in respect of the above stated non-compliance has been received by the Company till date, any penalty imposed for such non-compliance in future by the any regulatory authority could affect our financial conditions to that extent.

**22. We require certain approvals or licenses in the ordinary course of business and the failure to renew, obtain or retain them in a timely manner, or at all, may adversely affect our operations.**

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. We are hiring contract labour at project sites being worked by us from various electrical contractors. However, we have recently applied for getting registered as principal employer under the Contract Labour (Regulation and Abolition) Act 1972. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. For further details, please see **“Government and Other Approvals”** on page 184 of the Draft Red Herring Prospectus. If we are unable to obtain the requisite licenses in a timely manner or at all, our business operations and results may be affected. There can be no assurance that the relevant authorities will issue these approvals or licenses in a timely manner, or at all.

**23. Our Company has reported certain negative cash flows from its operating activity, financing activity and investing activity, details of which are given below. Sustained negative cash flow could impact our growth and business**

We have experienced negative cash flows in the past which have been set out below:

(Amount in ₹ Lakhs)

Particulars	For the Period / Financial Year Ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net cash flows generated/ (used) from operating activities	(482.65)	(414.21)	503.87	(47.95)
Net cash flows generated/ (used in) investing activities	(402.87)	(138.13)	(308.90)	156.14
Net cash flows generated/ (used in)/generated from financing activities	718.00	544.21	(136.61)	(41.97)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(167.52)</b>	<b>(8.13)</b>	<b>58.37</b>	<b>66.22</b>

Cash flows of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see section titled **“Restated Financial Statements”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on pages 164 and 166, respectively of this Draft Red Herring Prospectus.

**24. Our inability to identify and understand evolving industry trends, technological advancements, client preferences and develop new services to meet our client’s demands may adversely affect our business.**

The Global Market is characterized by technological advancements, introduction of innovative services, price fluctuations and intense competition. Changes in regulatory or industry requirements or uncompetitive technologies may render certain of our services less attractive or obsolete. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced services to create new or address yet unidentified needs among our current and potential clients in a timely manner, is a significant factor in our ability to remain competitive. However, there can be no assurance that we will be able to secure the necessary technological knowledge, through our own research and development or through technical assistance agreements that will allow us to continue to develop our service portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in research and development, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such

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knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our services will not become obsolete. Further, if we do not continue to distinguish our services through distinctive, technologically advanced features and design, as well as continue to build and strengthen our brand recognition, we could lose market share and our revenues and earnings could decline. We are also subject to the risks generally associated with lack of market acceptance and failure of services to operate properly due to reasons beyond our control.

We need to identify and understand the key market trends and evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of new services to meet the demands of the markets. This could have a material adverse effect on our business, financial condition, results of operations and future prospects.

25. ***We have not obtained the registration of our trademarks used in our businesses and our inability to obtain or maintain these registrations may adversely affect our competitive business position.***



Our Corporate logo “” is not yet registered but we have filed application for the logo of our Company with the Trade Marks Registry at Ahmedabad, for registration under class 37 of the Indian Trademarks Rules, 2002 bearing application no. 6255010 dated January 10, 2024. For further details, please refer “***Business Overview–Intellectual Property***” on page 100 of this Draft Red Herring Prospectus. The application is currently pending registration and under objection. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business.

Further, if any of our unregistered trademarks are registered in favor of a third party, we may not be able to claim registered ownership of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. If our application is objected to, we will not have the right to use this trademark or prevent others from using this trademark or its variations. Our inability to obtain or maintain this trademark in our business thus could adversely affect our reputation, goodwill, business, prospectus and results of operations

26. ***Trade Receivables and Inventories form a substantial part of our current assets and net worth. Failure to manage the same could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our business is working capital intensive and hence, Trade Receivables and Inventories form substantial part of our current assets and net worth. For the period ended December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2023 the trade receivable and inventories on an aggregate basis constitutes ₹ 4,455.02 Lakhs, ₹ 4,671.03 Lakhs, ₹ 2,721.76 lakhs and ₹ 1,861.29 Lakhs, which is 90.52%, 87.49%, 77.53% and 72.88% respectively of total current assets respectively. The results of operations of our business and our overall financial condition are hence dependent on our ability to effectively manage our inventory and trade receivables. We generally procure materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our supplies inventory, we must be able to accurately estimate customer demand, project requirements, project timelines & supply requirements and purchase new inventory accordingly. However, if our management misjudges expected project timelines and customer demand, it could cause either a shortage of raw materials or an accumulation of excess inventory. Further, if we fail to finish any project within the given timelines, we may be required to carry Goods in job Turnkey Projects on our books and pay for fresh supplies on other projects without receiving payment for earlier projects, requiring to 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, contractors / employers 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.

27. ***Our business require deployment of labour and depend on availability of labour. Unavailability of labour may impact our project execution schedules, profitability and our goodwill adversely.***

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry is highly dependent on labour force for carrying out its business operations. Shortage



of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Any strikes or lockouts, work stoppages, slowdowns, shutdowns, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition.

Though we have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, minimum- wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

Additionally, our inability to recruit employees, in particular skilled employees, and retain our current workforce could have a material adverse effect on our business, financial condition and profitability. There can be no assurance that we will not experience slowdowns or shutdowns in the manner described above, or in any other manner, in the future, for reasons which are beyond our control. Any slowdown or shutdown will adversely impact the results of operations, market share and financial condition.

**28. We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.**

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. Any order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

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

We constantly evaluate the risks involved in the business at the project site, in an effort to be sufficiently covered for all known risks. Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. We have taken Bharat Laghu Udyam Suraksha Policy which covers for physical loss or damage, Group personal accident insurance, Keymen insurance policies for all our core team members except for the Managing Director of the company. We have also taken Employee Compensation Insurance policy for our employees, vehicle insurance policies to insure our vehicles, fire insurance for properties which are mortgaged with our bankers against various credit facilities availed by our company from them. Further we have also taken insurance for our different completed projects of pumping machinery at which we are providing after sale maintenance services though we do not have Contractor All Risk Insurance Policy which offers comprehensive and adequate protection against loss or damage in respect of contract works, construction plant and equipment.

Though we have taken all the insurance cover as to the best of our understanding is required to cover the risks to our business, however, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

Insurance Expense as a percentage of Total Assets on restated basis for the period ended December 31, 2023, March 31, 2023, March 31, 2022, March 31, 2021 is as follows:

Particulars	(₹ in lakhs except mentioned otherwise)			
	For the Period / Financial Year Ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Insurance Expense (A)	20.27	57.82	113.36	124.37
Total Assets (B)	6,393.44	6,408.02	4,434.24	3,160.35
<b>% of Total Assets</b>	<b>0.32%</b>	<b>0.90%</b>	<b>2.56%</b>	<b>3.94%</b>

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**30. *We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations***

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on December 31, 2023 our total outstanding indebtedness was ₹ 1,447.63 Lakhs. Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a shorter notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Business Overview Statement of Financial Indebtedness*” on page 100 of this Draft Red Herring Prospectus.

**31. *Our Promoters and Directors have provided personal guarantees for financing facilities availed by our Company and may in the future provide additional guarantees and any failure or default by our Company to repay such facilities in accordance with the terms and conditions of the financing agreements could trigger repayment obligations on them, which may impact their ability to effectively service their obligations as our Promoters and Directors and thereby, adversely impact our business and operations.***

Our Promoters and Directors have personally guaranteed the repayment of certain loan facilities taken by us. Our Promoters may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters and Directors may be invoked, which could negatively impact the reputation and net worth of our Promoters and Directors. In addition, our guarantors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company.

Furthermore, in the event that our Promoters and Directors withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

**32. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (including our Promoters) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

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

We have experienced considerable growth over the past three years and we have significantly expanded our operations and product portfolio. Our total revenues grew from ₹ 4,696.89 lakhs for the financial year 2021 to ₹ 10,148.70 lakhs for the financial year 2023. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Our inability to manage our business plans effectively and execute our growth strategy in a timely manner, or within budget estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial

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condition. Further, our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to maintain the quality of our products, general political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

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

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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of Working capital loan and term loan availed by us from Bank. We have been extended such loan against hypothecation of our Company's property and current assets. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, please refer to chapter "Business Overview-Statement of Financial Indebtedness" beginning on page 100 of this Draft Red Herring Prospectus.

**35. *We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.***

In the ordinary course of business, we have entered into transactions with certain related parties in the past and may continue to do so in future. We have entered into various transactions with our Directors/ Promoters, Promoter Group members and group companies. These transactions, interalia include, remuneration, loans and advances, etc. For details, please refer to "**Annexure – IX- Related Party Transactions**" under Section titled "**Restated Financial Information of the Company**" on page 164 of this Draft Red Herring Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**36. *We will continue to be controlled by our Promoters after the completion of the Issue.***

After the completion of the Issue, our Promoters will hold majority of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters and Promoter Group will act in our interest while exercising their rights.

**37. *Dependence upon third party transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in delay in completion of our services.***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third-party transport service providers and engage them on a need basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

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**38. *Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business.***

There are restrictive covenants in agreements entered into by our Company with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior consent of these banks and financial institutions for various activities, including effecting any changes to our capital structure or shareholding pattern, raising fresh capital or any term loans or debentures; undertaking any merger, amalgamation or restructuring, utilizing loans for purposes other than those set out in the financing agreement, implementing any scheme of expansion, diversification or modification (other than incurring routine capital expenditure), disposing of any assets; taking actions that result in a change of control over us, declaring or paying dividends, making investments in other concerns and effecting any amendments in our memorandum and articles of association.

**39. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, future cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. 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 applicable law, including the Companies Act, 2013.

We may retain all future earnings, if any, for use in the operations and expansion of the 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 and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. For details of our Dividend history refer to the Section **“Dividend Policy”** on page 163 of the Draft Red Herring Prospectus.

**40. *Our business is subject to various operating risks at our project sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.***

Our business operations are subject to operating risks, such as breakdown or failure of equipments used at the project sites, weather conditions, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes and industrial accidents. The occurrence of these risks, if any, could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse effect on our business operations and financial conditions.

**41. *We could be adversely affected due to misconduct or errors of our employees that are difficult to detect and any such incidents could adversely affect our financial condition, results of operations and reputation.***

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

**42. *We are required to furnish bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition***

As part of our business and as is customary, we are required to provide financial and performance bank guarantees in favour of our project clients under the respective contracts for our projects. For our projects, we typically issue bank guarantees to the relevant authority with whom the contractual arrangement has been entered into. We may not be able to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could have a material adverse effect on our business, results of operations and financial condition.

Further, the process of obtaining contracts, financial and performance bank guarantees, tends to increase our working capital requirements. As of December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, we had issued bank guarantees amounting to ₹ 1,584.62 lakhs, ₹ 1005.35 lakhs, ₹ 779.46 lakhs and ₹ 588.28 lakhs respectively, towards securing our financial / performance obligations under our ongoing projects. We may be unable to fulfil any or all of our obligations under the contracts entered into by us in relation to our ongoing projects due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. If any or all the bank guarantees are invoked, it may result in a material adverse effect on our business and financial condition

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**43. *Fraud, theft, employee negligence or similar incidents may adversely affect the results of operations and financial condition.***

Our company faces potential risks related to incidents of theft or damage to inventory. While we have not encountered such situations in the past, but there is a possibility of experiencing inventory losses due to various factors such as employee theft, vendor fraud, and general administrative errors. These incidents could have a negative impact on the results of operations and financial condition. During the execution of the contract and up to defect liability period we are generally fully liable to compensate all concerned for any loss, damage, or destruction of work, structure, property etc. including third party risk arising due to causes attributable to us.

Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Any such occurrence could lead to significant financial losses and affect our overall business performance.

Although we have insurance coverage against losses due to theft, fire, breakage, or damage caused by other casualties, the extent of coverage may not fully mitigate the financial impact of such incidents on our operations and financial condition. In some cases, the losses incurred may exceed the insurance coverage, resulting in additional financial strain for the company.

**44. *The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.***

The deployment of funds as stated in the “*Objects of the Issue*” beginning on page 67 of this Draft Red Herring Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilized have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatsoever reason, we are unable to execute our plans, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. In case the assumptions on which these estimates have been made are not correct or they become un-realistic then there will be a variation in the estimates and the actual expenditure incurred which could result in execution delays and have an adverse effect on our operations and profitability.

**45. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

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.

**46. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**47. *We have 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 may delay the implementation schedule.***

The proposed fund requirement for our business, as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this IPO. We have 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 may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 67 of this Draft Red Herring Prospectus.

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

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled **“Basis for Issue Price”** beginning on page 76 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

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

We are currently engaged in the business of providing services relating to designing and engineering works which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. Any demand or penalty raised by the concerned authority in future for any previous years or current year will affect the financial position of the Company.

**50. *We have not independently verified certain data in this Draft Red Herring Prospectus.***

We have not independently verified data from the Industry and related data contained in this Draft Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**51. *The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange. In case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

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

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

**EXTERNAL RISK FACTORS**

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing,

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or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details, please refer to the chapter “**Government and Other Approvals**” on page 184 of this Draft Red Herring Prospectus, for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

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

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

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

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

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

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

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

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made

disasters, including acts of war, terrorist attacks, environmental issues and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

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

**58. *The sale of Equity Shares by our Promoters in future may adversely affect the market price of the Equity Shares.***

After the completion of the Offer, our Promoters will still own a significant percentage of our issued Equity Shares. The sale of a large number of the Equity Shares by our Promoters could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur, could adversely affect the market price of the Equity Shares. No assurance may be given that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

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

The issue price of the equity shares has been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information, please refer the section titled “*Basis for Issue Price*” beginning on page 76 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**60. *If certain labour laws become applicable, 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.

**PROMINENT NOTES**

1. Public Issue of up to 3700000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “Issue Price”) aggregating to ₹ [●] lakhs (“the issue”).
2. The Net Asset Value per Equity Share (Post-Bonus) of our Company as per the Restated Financials as of March 31, 2021, 2022 and 2023, December 31, 2023, is ₹ 15.49, ₹ 18.07, ₹ 24.08, and ₹ 29.36 per Equity Share, respectively.
3. The net worth of our Company as per Restated Financials as of December 31, 2023 is ₹ 2,936.30 Lakhs.
4. Average cost of acquisition of equity shares by our promoters is as follows:

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)
1.	Dipak Padmakant Pandya	25,00,000	10.00
2.	Mahendra Ramabhai Patel	25,00,000	10.00
3.	Mita Dipak Pandya	24,75,000	10.00
4.	Varsha Mahendra Patel	24,75,000	10.00

For further details, please refer to chapter titled “*Capital Structure*” beginning on page no. 55 of this Draft Red Herring Prospectus.

5. There has been no change of name of our Company at any time during the last three (3) years immediately preceding the date of filing Draft Red Herring Prospectus.



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6. There has been no financing arrangement whereby our directors or any of their respective relatives have financed the purchase by any other person of securities of our Company during the six (6) months preceding the date of this Draft Red Herring Prospectus.
  7. Except as stated under the chapter titled “*Capital Structure*” beginning on page no 55 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
  8. Except as disclosed in the chapters titled “*Capital Structure*”, “*Our Promoters and Promoter Group*”, “*Information with respect to Group Companies/entities*” and “*Our Management*” beginning on page no. 55, 157, 189 and 142 respectively of this Draft Red Herring Prospectus, none of our Promoters, Directors or Key Managerial Personnel has any interest in our Company.
  9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
  10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 76 of the Draft Red Herring Prospectus.
  11. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “*General Information*” beginning on page 46 of this Draft Red Herring Prospectus.

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

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Draft Red Herring Prospectus:

Particulars		Details
Equity Shares Issued*		Issue of up to 37,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Of which:		
Reserved for Market Makers		[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Net Issue to the Public		[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Of which		
Allocation to Qualified Institutional Buyers	Anchor Investors	Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
	Net QIB	Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Non- Retail Investors		Not less than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Retail Individual Investors		Not less than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Equity Shares outstanding prior to the Issue		1,00,00,000 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue		[●] Equity Shares of ₹ 10/- each
Use of Proceeds		For details, please refer chapter titled “ <i>Objects of The Issue</i> ” beginning on Page no. 67 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

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

- (1) 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 (2) and Regulation 253 (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 issued to the public for subscription.
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated February 26, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on May 20, 2024.
- (3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- (4) 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.

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

**SUMMARY OF FINANCIAL STATEMENTS**

**STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

	<b>Particulars</b>	<b>As At 31/12/2023</b>	<b>As At 31/03/2023</b>	<b>As At 31/03/2022</b>	<b>As At 31/03/2021</b>
<b>I</b>	<b>EQUITY AND LIABILITIES</b>				
	1. Shareholders' funds				
	(a) Share Capital	1,000.00	1,000.00	1,000.00	1,000.00
	(b) Reserves and surplus	1,936.30	1,408.03	806.88	548.89
	2. Non-current liabilities				
	(a) Long-term borrowings	401.76	403.80	13.59	-
	(b) Other Non-current liabilities	-	-	-	-
	(d) Deferred tax liabilities	-	-	-	-
	(e) Long-term provisions	23.91	22.99	12.85	11.65
	3. Current liabilities				
	(a) Short-term borrowings	1,045.87	235.79	4.59	152.26
	(b) Trade payables				
	i) Due to MSME	-	-	-	-
	ii) Due to Others	1,567.91	3,118.27	2,341.74	1,283.18
	(c) Other current liabilities	104.32	82.55	130.52	45.64
	(d) Short-term provisions	313.37	136.59	124.08	118.74
	<b>TOTAL</b>	<b>6,393.44</b>	<b>6,408.02</b>	<b>4,434.25</b>	<b>3,160.35</b>
<b>II.</b>	<b>ASSETS</b>				
	<b>1. Non-current assets</b>				
	(a) Property Plant & equipment & Intangible assets				
	(i) Property Plant & Equipment	34.80	34.59	43.63	32.87
	(ii) Capital work-in-progress	-	-	-	-
	(b) Non-current investments	31.50	-	-	-
	(c) Deferred Tax Assets (Net)	12.39	11.68	8.88	8.83
	(d) Long-term loans and advances	-	-	-	-
	(e) Other Non-Current Assets	1,393.26	1,022.86	871.27	564.76
	<b>2. Current assets</b>				
	(a) Inventories	2,476.11	1,539.30	641.79	20.58
	(b) Trade receivables	1,978.91	3,131.72	2,079.97	1,840.71
	(c) Cash and cash equivalents	29.24	196.75	204.89	146.52
	(d) Short-term loans and advances	406.54	442.05	512.81	396.44
	(e) Other Current Assets	30.71	29.07	71.00	149.65
	<b>TOTAL</b>	<b>6,393.44</b>	<b>6,408.02</b>	<b>4,434.24</b>	<b>3,160.35</b>

**STATEMENT OF PROFIT & LOSS, AS RESTATED**

(₹ in Lakhs)

	Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
<b>I</b>	Revenue from operations	7,526.67	10,148.70	6,184.32	4,696.89
<b>II</b>	Other Income	8.45	17.83	18.45	22.75
<b>III</b>	<b>Total Income (I+II)</b>	<b>7,535.12</b>	<b>10,166.54</b>	<b>6,202.77</b>	<b>4,719.64</b>
	<b>Expenses:</b>				
	(a) Cost of materials consumed	5,056.08	8,439.64	4,827.83	3,541.05
	(b) Purchases of stock-in-trade	1,234.75	247.09	441.88	402.28
	(d) Employee benefits expense	214.54	272.84	249.27	203.41
	(e) Finance costs	90.95	87.35	3.72	9.38
	(f) Depreciation and amortisation expense	9.07	13.35	10.07	11.24
	(g) Other expenses	219.63	298.37	315.89	290.79
<b>IV</b>	<b>Total expenses</b>	<b>6,825.02</b>	<b>9,358.64</b>	<b>5,848.66</b>	<b>4,458.14</b>
			-		
<b>V</b>	<b>Profit /(Loss) before tax and Exceptional Items (III-IV)</b>	<b>710.10</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
<b>VI</b>	<b>Exceptional Items</b>	-	-	-	-
<b>VII</b>	<b>Profit /(Loss) before tax (V-VI)</b>	<b>710.10</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
<b>VIII</b>	<b>Tax expense:</b>				
	(a) Current tax expense	182.54	209.54	96.17	67.42
	(b) Deferred tax charge/(credit)	(0.71)	(2.79)	(0.06)	(7.52)
		<b>181.83</b>	<b>206.75</b>	<b>96.11</b>	<b>59.91</b>
<b>IX</b>	<b>Profit after tax for the year (VII-VIII)</b>	<b>528.27</b>	<b>601.15</b>	<b>258.00</b>	<b>201.59</b>
<b>XII</b>	<b>Earnings per share (face value of ₹ 10/- each):</b>				
	(a) Basic (in ₹)	5.28	6.01	2.58	2.02
	(b) Diluted (in ₹)	5.28	6.01	2.58	2.02

**STATEMENT OF CASH FLOW, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended	For the period ended	For the year Ended	For the year Ended
	31-12-2023	31-03-2023	31-03-2022	31-03-2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Extraordinary items	710.10	807.90	354.11	261.50
Adjustment For:				
(a) Depreciation and Amortization	9.07	13.35	10.07	11.24
(b) Interest Charges	90.95	87.35	3.72	9.38
(c) (Gain)/Loss on Sale of Assets	-	-	-	-
(d) Interest & Other income	(8.30)	(17.77)	(18.45)	(22.75)
<b>Operating Profit before Working Capital Changes</b>	<b>801.82</b>	<b>890.82</b>	<b>349.45</b>	<b>259.37</b>
Adjustment For :				
(a) (Increase)/Decrease in Inventories	(936.81)	(897.51)	(621.21)	(11.54)
(b) (Increase)/Decrease in Trade Receivables	1,152.81	(1,051.76)	(239.26)	88.96
(c) (Increase)/Decrease in Loans & Advances & Other Assets	33.87	112.71	(37.72)	(83.55)
(d) Increase /(Decrease) in Trade Payables & Other Liabilities	(1,351.80)	741.06	1,148.78	(233.77)
(e) Increase/(Decrease) in Other Non-Current Liabilities	-	-	-	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(300.11)</b>	<b>(204.67)</b>	<b>600.04</b>	<b>19.47</b>
Less : Direct Taxes paid	(182.54)	(209.54)	(96.17)	(67.42)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(482.65)</b>	<b>(414.21)</b>	<b>503.87</b>	<b>(47.95)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(482.65)</b>	<b>(414.21)</b>	<b>503.87</b>	<b>(47.95)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(a) Sales / (Addition) in Fixed Assets & WIP	(9.27)	(4.31)	(20.84)	(3.60)
(b) (Increase) / Decrease in Investment	(31.50)	-	-	-
(c) (Increase) / Decrease in Non Current Assets	(370.40)	(151.59)	(306.51)	136.99
(d) Interest and other income	8.30	17.77	18.45	22.75
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(402.87)</b>	<b>(138.13)</b>	<b>(308.90)</b>	<b>156.14</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
(a) Increase/(Decrease) in Long Term Borrowings	(2.04)	390.21	13.59	(11.44)
(b) Increase/(Decrease) in Short Term Borrowings	810.08	231.20	(147.67)	(32.80)
(c) Issue of Share Capital	-	-	-	-
(d) Increase / (Decrease) in Long Term Provisions	0.92	10.15	1.20	11.65
(e) Interest Paid	(90.95)	(87.35)	(3.72)	(9.38)
<b>NET CASH FLOW IN FINANCING ACTIVITIES (C)</b>	<b>718.00</b>	<b>544.21</b>	<b>(136.61)</b>	<b>(41.97)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(167.52)</b>	<b>(8.13)</b>	<b>58.37</b>	<b>66.22</b>
<b>OPENING BALANCE – CASH &amp; CASH EQUIVALENT</b>	<b>196.75</b>	<b>204.89</b>	<b>146.52</b>	<b>80.30</b>
<b>CLOSING BALANCE - CASH &amp; CASH EQUIVALENT</b>	<b>29.24</b>	<b>196.75</b>	<b>204.89</b>	<b>146.52</b>

## SECTION V – GENERAL INFORMATION

Our Company was originally established in Year of 2003 as a partnership firm named as ‘M/s H.M. Engineers’ under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as “H. M. Electro Mech Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018. For details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page no. 139 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details			
<b>Name of Issuer</b>	H.M. ELECTRO MECH LIMITED			
<b>Registered Office</b>	305, Ashram Avenue, B/H. Kochrab Ashram, Paldi, Ahmedabad, Gujarat, 380006, India <b>Telephone No.:</b> +91 079 40092538; <b>Web site:</b> <a href="http://www.hmelectromech.com">www.hmelectromech.com</a> <b>E-Mail:</b> <a href="mailto:cs@hmelectromech.com">cs@hmelectromech.com</a> <b>Contact Person:</b> Chetankumar Hiralal Solanki			
<b>Date of Incorporation</b>	April 24, 2018			
<b>Company Identification Number</b>	U45500GJ2018PLC102018			
<b>Company Registration Number</b>	102018			
<b>Company Category</b>	Company Limited by Shares			
<b>Registrar of Company</b>	ROC-Ahmedabad			
<b>Address of the RoC</b>	ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, <b>Phone:</b> 079-27438371			
<b>Company Secretary and Compliance Officer</b>	<b>Chetankumar Hiralal Solanki</b> H.M. ELECTRO MECH LIMITED 305, Ashram Avenue, B/H. Kochrab Ashram, Paldi., Ahmedabad, Gujarat, 380006, India; <b>Telephone No.:</b> +91 079 40092538; <b>Web site:</b> <a href="http://www.hmelectromech.com">www.hmelectromech.com</a> <b>E-Mail:</b> <a href="mailto:cs@hmelectromech.com">cs@hmelectromech.com</a>			
<b>Designated Stock Exchange</b>	SME Platform of BSE Limited <b>Address:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India			
<b>Issue Programme</b>	<b>Issue Opens On:</b>	[●]	<b>Issue Closes On:</b>	[●]

**Note:** Investors can contact the Company Secretary & Compliance officer in case of any pre-issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, UPI ID (in case of RII’s if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned hereinabove.



### BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

Sr. No.	Name	Designation	Address	DIN
1.	Dipak Padmakant Pandya	Chairman and Managing Director	25-a, Nutan Society, Nr. Suvidha Shopping Centre, Paldi, Ahmedabad, Gujarat-380007	02188199
2.	Mahendra Ramabhai Patel	Whole Time Director	F-1 Vedant Shriji apartment, CIMS Hospital Road, Nr- B R Park Science City Road, Sola Ahmedabad Gujarat-380060	02190228
3.	Mita Dipak Pandya	Whole Time Director	25-a, Nutan Society, Nr. Suvidha Shopping Centre, Paldi, Ahmedabad, Gujarat-380007	07556372
4.	Bhavisha Kunal Chauhan	Additional Independent Director	37, Sahjanand Park, Opp. Vaibhav Hall, Ghodasar, Near Royal Enfield Showroom, Ahmedabad-380050, Gujarat, India	10092854
5.	Aayush Kamleshbhai Shah	Additional Independent Director	901, Gulmohar Heights, Anandnagar Cross Road, Satellite, Opp. Madhur Hall, Manekbag, Ahmedabad- 380015 Gujarat, India	10149440
6.	Harshalkumar Mahendrakumar Patel	Additional Non-Executive Director	F-1 Vedant Shreeji, CIMS Hospital Road, Sola Ahmedabad Gujarat-380060	10350341

For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled “Our Management” beginning on Page no. 142 of this Draft Red herring Prospectus.

#### DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
<b>BEELINE CAPITAL ADVISORS PRIVATE LIMITED</b> <b>SEBI Registration Number:</b> INM000012917 <b>Address:</b> B 1311-1314, Thirteenth Floor, Shilp Corporate Park, Rajpath Rangoli Road, Thaltej, Ahmedabad-380054, Gujarat, India. <b>Telephone Number:</b> 079 4918 5784 <b>Email Id:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> <b>Investors Grievance Id:</b> <a href="mailto:ig@beelinemb.com">ig@beelinemb.com</a> <b>Website:</b> <a href="http://www.beelinemb.com">www.beelinemb.com</a> <b>Contact Person:</b> Mr. Nikhil Shah <b>CIN:</b> U67190GJ2020PTC114322	<b>CAMEO CORPORATE SERVICES LIMITED</b> <b>SEBI Registration Number:</b> INR000003753 <b>Address:</b> "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India <b>Tel. Number:</b> +91-44-4002 0700 / 2846 0390 <b>Email Id:</b> <a href="mailto:ipo@cameoindia.com">ipo@cameoindia.com</a> <b>Investors Grievance Id:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Website:</b> <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a> <b>Contact Person:</b> Ms. K. Sreepriya - Vice President & Company Secretary <b>CIN:</b> U67120TN1998PLC041613
STATUTORY AUDITORS OF THE COMPANY	LEGAL ADVISOR TO THE COMPANY
<b>M/s. B.V. GAJERA &amp; CO,</b> <b>Chartered Accountants</b> <b>Address:</b> C-401, Revti Plaza, Bhakti Circle, Ankur Chokadi Road, New India Colony, Nikol, Ahmedabad Gujarat-380049. <b>Tel. No.:</b> +91 8980924448 <b>Email Id:</b> <a href="mailto:bvgaajeraco@gmail.com">bvgaajeraco@gmail.com</a> <b>Contact Person:</b> CA Bhavinkumar V Gajera <b>Membership No.:</b> 185348 <b>Firm Registration No:</b> 147997W	<b>LEENA JAIN</b> <b>Address:</b> Flat No. T2, Shreenath Regency, Plot No 70-71, Sudama Nagar, Jaipur 302029 <b>Tel No.:</b> +91-9001994925 <b>Email:</b> <a href="mailto:vlcjain.leena@gmail.com">vlcjain.leena@gmail.com</a> <b>Contact Person:</b> CS Leena Jain
PEER REVIEW AUDITORS OF THE COMPANY	BANKERS TO THE COMPANY
<b>M/s SVJK and Associates,</b> <b>Chartered Accountants</b>	<b>ICICI BANK LIMITED</b>

<b>Address:</b> 908, Phoenix, Opp. Commerce Six Metro Station, Near Vijay Cross Road, Navrangpura, Ahmedabad-380009 <b>Tel. No.:</b> 079 4604 1102 <b>Email Id:</b> <a href="mailto:info@svjkadvisors.com">info@svjkadvisors.com</a> <b>Contact Person:</b> CA Reeturaj Verma <b>Firm Registration No:</b> 135182W <b>Peer Review Certificate No.:</b> 014698	<b>Address:</b> 2/1 Ground Floor, Popular House Ashram Road, Ahmedabad Gujarat 380009 India. <b>Telephone:</b> +91 9712962565 <b>E mail:</b> <a href="mailto:dave.pranav@icicibank.com">dave.pranav@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact Person:</b> Pranav Dave
<b>BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK</b>	<b>SYNDICATE MEMBER</b>
[•]	[•]

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

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

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

## BROKERS TO THE ISSUE

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

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

## COLLECTING DEPOSITORY PARTICIPANTS

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

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Beeline Capital Advisors Private Limited is only Book Running Lead Manager to the issue, all the responsibility of the issue will be managed by them.

## CREDIT RATING

As this is an issue of Equity Shares, there is no credit rating for this Issue.

## 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.

## FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.



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

A copy of Draft Red Herring Prospectus will be available on website of the company [www.hmelectromech.com](http://www.hmelectromech.com), Book Running Lead Manager [www.beelinemb.com](http://www.beelinemb.com) and stock exchange [www.bseindia.com](http://www.bseindia.com).

A copy of the Red Herring Prospectus/Prospectus, along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat Phone: 079-27438371.

#### **CHANGES IN AUDITORS IN LAST THREE YEARS**

No changes have taken place in the Auditors during the last three years preceding the date of this Draft Red Herring Prospectus.

#### **TRUSTEES**

As this is an issue of Equity Shares, the appointment of Trustees is not required.

#### **APPRAISAL AND MONITORING AGENCY**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution.

#### **BOOK BUILDING PROCESS**

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

Principal parties involved in the Book Building Process are-

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

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

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, 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 215 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 215 of this Draft Red Herring Prospectus.

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

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

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

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 215 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing

in Sikkim is subject to the Depository Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.

- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

**Bid/Issue Program:**

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

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 maybe extended in consultation with the BRLM, RTA and BSE taking into account the total number of applications received up to the closure of timings.

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

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

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

**WITHDRAWAL OF THE ISSUE**

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

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

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

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

#### **UNDERWRITING AGREEMENT**

This Issue is 100% Underwritten. The Underwriting agreement has been entered on [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

<b>Details of the Underwriter</b>	<b>No. of shares underwritten</b>	<b>Amount Underwritten (₹ in Lakh)</b>	<b>% of the total Issue Size Underwritten</b>
[●]	[●]	[●]	100%

*\*Includes [●] Equity shares of ₹10.00 each for cash of ₹ [●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above-mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

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

Our Company and the Book Running Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●]

The Market Maker shall the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the BSE and SEBI in this regard from time to time.

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the [●] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, 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, BSE may intimate the same to SEBI after due verification.
- 6) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.
- 8) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) 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.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a One month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).
- 11) In case of termination of the 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 Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
- 12) Risk containment measures and monitoring for Market Makers: SME Platform of BSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 13) Punitive Action in case of default by Market Makers: SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market maker 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.
- 14) 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.
- 15) 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:
- 16) 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.
- 17) 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.
- 18) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- 19) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
Above ₹80 Crore	12%	11%

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

## SECTION VI - CAPITAL STRUCTURE

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

(₹ In Lakh except per share amount)			
Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at issue price
1.	<b>AUTHORIZED SHARE CAPITAL</b> 1,50,00,000 Equity Shares of face value of ₹ 10/- each	1500.00	-
2.	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE</b> 1,00,00,000 Equity Shares of face value of ₹ 10/- each	1000.00	-
3.	<b>PRESENT ISSUE IN TERMS OF THE DRAFT RED HERRING PROSPECTUS</b>		
	Issue of up to 37,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share.	370.00	[●]
	<b>Which comprises</b>		
	<b>Reservation for Market Maker:</b> [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share reserved as Market Maker Portion	[●]	[●]
	<b>Net Issue to Public:</b> [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share to the Public	[●]	[●]
	<b>Net Issue to Public consists of</b>		
	<b>Allocation to Qualified Institutional Buyers:</b>		
	Anchor Investors      Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Anchor Investors	[●]	[●]
	Net QIB                      Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Allocation to Non- Institutional Investors:</b> At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	<b>Allocation to Retail Individual Investors:</b> At least [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Retail Individual Investors	[●]	[●]
4.	<b>PAID UP EQUITY CAPITAL AFTER THE ISSUE</b> Up to 1,37,00,000 Equity Shares of ₹ 10/- each	1370.00	-
5.	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	NIL	
	After the Issue	[●]	

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 26, 2024 and by the shareholders of our Company vide a special resolution passed at the Extra-ordinary General Meeting (EGM) held on May 20, 2024.

### CLASS OF SHARES

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

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

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

### NOTES TO THE CAPITAL STRUCTURE:

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

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

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	1,00,00,000	1000.00	N.A.	N.A.
2.	Increase in authorized equity share capital from ₹ 1000.00 Lakhs to ₹ 1500.00 Lakhs	1,50,00,000	1500.00	February 26, 2024	EGM

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

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

Date of allotment	Nature of allotment	No. of Equity Shares allotted	Face value (In ₹)	Issue price (In ₹)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share Capital (₹ in Lakh)	Cumulative Share Premium (In ₹ Lakhs)
April 24, 2018 (On Incorporation)	Subscription to Memorandum of Association <sup>(1)</sup>	1,00,00,000	10	10	Cash	1,00,00,000	1000.00	0.00

<sup>(1)</sup> The details of allotment of 1,00,00,000 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Associations are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Mahendra Ramabhai Patel	25,00,000	10	10
2.	Dipak Padmakant Pandya	25,00,000	10	10
3.	Mita Dipak Pandya	24,75,000	10	10
4.	Varsha Mahendra Patel	24,75,000	10	10
5.	Suhani Swapnil Patel	20,000	10	10
6.	Harshalkumar Mahendrakumar Patel	10,000	10	10
7.	Pinal Mahendra Patel	10,000	10	10
8.	Twinkal Sagarkumar Paneliya	10,000	10	10
<b>Total</b>		<b>1,00,00,000</b>	<b>10</b>	<b>10</b>

- Our Company has not offer shares for consideration other than cash or out of revaluation of reserves at any point of time since incorporation.
- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 234 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares by capitalizing any revaluation reserves.
- Our Company has not made allotment at price lower than the Issue Price during past one year from the date of the Draft Red Herring Prospectus:
- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under



the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

## 8. Our Shareholding Pattern:

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

### Declaration

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

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

**Table-I - Summary Statement showing holding of Equity Shares**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Class (eg: Y)	Total								
(A)	Promoters & Promoters Group	8	10000000	0	0	10000000	100.00	10000000	-	10000000	100.00	0	100.00	0	0	0	0	10000000
(B)	Public	0	0	0	0	0	0.00	0	-	0	0.00	0	0.00	0	0	0	0	0
(C)	Non-Promoters-Non-Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0	0	0
	<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total</b>	<b>8</b>	<b>10000000</b>	<b>0</b>	<b>0</b>	<b>10000000</b>	<b>100.00</b>	<b>10000000</b>	<b>-</b>	<b>10000000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10000000</b>
<b>Note:</b>																		
1.	<b>C=C1+C2</b>																	
2.	<b>Grand Total=A+B+C</b>																	

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

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mahendra Ramabhai Patel	2500000	25.00	2500000	[•]
2.	Dipak Padmakant Pandya	2500000	25.00	2500000	[•]
3.	Mita Dipak Pandya	2475000	24.75	2475000	[•]
4.	Varsha Mahendra Patel	2475000	24.75	2475000	[•]
<b>Total – A</b>		<b>9950000</b>	<b>99.50</b>	<b>9950000</b>	<b>[•]</b>
<b>Promoter's Group</b>					
5.	Suhani Swapnil Patel	20000	0.20	20000	[•]
6.	Harshalkumar Mahendrakumar Patel	10000	0.10	10000	[•]
7.	Pinal Mahendra Patel	10000	0.10	10000	[•]
8.	Twinkal Sagarkumar Paneliya	10000	0.10	10000	[•]
<b>Total – B</b>		<b>50000</b>	<b>0.50</b>	<b>50000</b>	<b>[•]</b>
<b>Public</b>					
9.	Public in IPO	-	-	[•]	[•]
<b>Total-C</b>		<b>-</b>	<b>-</b>	<b>[•]</b>	<b>[•]</b>
<b>Total (A+B+C)</b>		<b>10000000</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>

10. Details of Major Shareholders:

(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held#	% of Pre-issue paid up Capital*
1.	Mahendra Ramabhai Patel	2500000	25.00
2.	Dipak Padmakant Pandya	2500000	25.00
3.	Mita Dipak Pandya	2475000	24.75
4.	Varsha Mahendra Patel	2475000	24.75
<b>Total</b>		<b>9950000</b>	<b>99.50</b>

\*Rounded off

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

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held#	% of Pre-issue paid up Capital*
1.	Mahendra Ramabhai Patel	2500000	25.00
2.	Dipak Padmakant Pandya	2500000	25.00
3.	Mita Dipak Pandya	2475000	24.75
4.	Varsha Mahendra Patel	2475000	24.75
<b>Total</b>		<b>9950000</b>	<b>99.50</b>

\*Rounded off

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

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company One year prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held#	% of then existing capital*
1.	Mahendra Ramabhai Patel	2500000	25.00
2.	Dipak Padmakant Pandya	2500000	25.00
3.	Mita Dipak Pandya	2475000	24.75
4.	Varsha Mahendra Patel	2475000	24.75
<b>Total</b>		<b>9950000</b>	<b>99.50</b>

\* Rounded off

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

**(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company Two years prior to the date of the Draft Red Herring Prospectus:**

Sr. No.	Name of shareholders	No. of Equity Shares held#	% of then existing capital*
1.	Mahendra Ramabhai Patel	2500000	25.00
2.	Dipak Padmakant Pandya	2500000	25.00
3.	Mita Dipak Pandya	2475000	24.75
4.	Varsha Mahendra Patel	2475000	24.75
<b>Total</b>		<b>9950000</b>	<b>99.50</b>

\* Rounded off

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

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

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

**12. Shareholding of the Promoters of our Company:**

As on the date of the Draft Red Herring Prospectus, our Promoters Mahendra Ramabhai Patel, Dipak Padmakant Pandya, Mita Dipak Pandya and Varsha Mahendra Patel hold 99,50,000 Equity Shares representing 99.50% of the pre-issue paid-up equity share capital of the company. The build-up of equity shareholding of Promoters of our Company is as follows:

Mahendra Ramabhai Patel								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre-Issue Capital	% of post issue Capital
April 24, 2018	Subscription to Memorandum of Association	2500000	2500000	10	10	25000000	25.00	[•]
<b>Total</b>		<b>25,00,000</b>				<b>2,50,00,000</b>	<b>25.00</b>	<b>[•]</b>

Dipak Padmakant Pandya								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre-Issue Capital	% of post issue Capital
April 24, 2018	Subscription to Memorandum of Association	2500000	2500000	10	10	25000000	25.00	[•]
<b>Total</b>		<b>25,00,000</b>				<b>2,50,00,000</b>	<b>25.00</b>	<b>[•]</b>

Mita Dipak Pandya								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre-Issue Capital	% of post issue Capital
April 24, 2018	Subscription to Memorandum of Association	2475000	2475000	10	10	24750000	24.75	[•]
<b>Total</b>		<b>24,75,000</b>				<b>2,47,50,000</b>	<b>24.75</b>	<b>[•]</b>

Varsha Mahendra Patel								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre-Issue Capital	% of post issue Capital
April 24, 2018	Subscription to Memorandum of Association	2475000	2475000	10	10	24750000	24.75	[•]
<b>Total</b>		<b>24,75,000</b>				<b>2,47,50,000</b>	<b>24.75</b>	<b>[•]</b>

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

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)
1.	Mahendra Ramabhai Patel	2500000	10
2.	Dipak Padmakant Pandya	2500000	10
3.	Mita Dipak Pandya	2475000	10
4.	Varsha Mahendra Patel	2475000	10
<b>TOTAL</b>		<b>9950000</b>	<b>10.00</b>

Source: The Weighted Average Cost of Acquisition as certified by M/s. SVJK and Associates. vide their certificate dated June 27, 2024.

14. We have 8 (Eight) shareholders as on the date of filing of the Draft Red Herring Prospectus.

15. As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters' Group hold total 1,00,00,000 Equity Shares representing 100.00 % of the pre-issue paid up equity share capital of our Company.
16. There were no shares purchased/sold by the Promoters and Promoter Group, directors of our Company and their relatives during last six months.
17. The members of the Promoter's Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

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

Our Promoters have given written consent to include up to 27,40,000 Equity Shares subscribed and held by them as a part of Minimum Promoter's Contribution constituting 20.00% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoter's contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoter's Contribution, and to be marked Minimum Promoter's Contribution as locked-in terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018. Minimum Promoter's Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

**Explanation:** The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilized as stated in the offer document, is expected to commence.

In our case, the company is going to utilize proceeds of issue towards existing projects of the company. Therefore, Minimum Promoter's Contribution shall be locked in for a period of 3 years from date of allotment in Initial Public Offer.

We further confirm that Minimum Promoter's Contribution of 20.00% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoter's Contribution has been brought into to the extent of not less than the 20.00% of the Post Issue Capital and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoter's Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of Minimum Promoter's Contribution are as follows:

<b>DIPAK PADMAKANT PANDYA</b>									
<b>Date of Allotment / Transfer</b>	<b>Date when Fully Paid-up</b>	<b>Nature of Issue/ Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Source of Contribution</b>	<b>%of Pre issue Capital</b>	<b>%of post issue Capital</b>	<b>Date up to which Equity Shares are subject to Lock-in</b>
April 24, 2018	April 24, 2018	Subscription to Memorandum of Association	685000	10	10	Cash	6.85	[•]	3 years
<b>Total</b>			<b>685000</b>				<b>6.85</b>	<b>[•]</b>	

<b>MAHENDRA RAMABHAI PATEL</b>									
<b>Date of Allotment / Transfer</b>	<b>Date when Fully Paid-up</b>	<b>Nature of Issue/ Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Source of Contribution</b>	<b>%of Pre issue Capital</b>	<b>%of post issue Capital</b>	<b>Date up to which Equity Shares are subject to Lock-in</b>
April 24, 2018	April 24, 2018	Subscription to Memorandum of Association	685000	10	10	Cash	6.85	[•]	3 years
<b>Total</b>			<b>685000</b>				<b>6.85</b>	<b>[•]</b>	

<b>MITA DIPAK PANDYA</b>									
<b>Date of Allotment / Transfer</b>	<b>Date when Fully Paid-up</b>	<b>Nature of Issue/ Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Source of Contribution</b>	<b>%of Pre issue Capital</b>	<b>%of post issue Capital</b>	<b>Date up to which Equity Shares are subject to Lock-in</b>
April 24, 2018	April 24, 2018	Subscription to Memorandum of Association	685000	10	10	Cash	6.85	[•]	3 years
<b>Total</b>			<b>685000</b>				<b>6.85</b>	<b>[•]</b>	

<b>VARSHA MAHENDRA PATEL</b>									
<b>Date of Allotment / Transfer</b>	<b>Date when Fully Paid-up</b>	<b>Nature of Issue/ Allotment / Transfer</b>	<b>Number of Equity shares</b>	<b>Face Value (in ₹) per share</b>	<b>Issue/ Transfer Price (in ₹) per share</b>	<b>Source of Contribution</b>	<b>%of Pre issue Capital</b>	<b>%of post issue Capital</b>	<b>Date up to which Equity Shares are subject to Lock-in</b>
April 24, 2018	April 24, 2018	Subscription to Memorandum of Association	685000	10	10	Cash	6.85	[•]	3 years
<b>Total</b>			<b>685000</b>				<b>6.85</b>	<b>[•]</b>	

All the Equity Shares held by the Promoters / members of the Promoter's Group are in already dematerialized as on date of this Draft Red Herring Prospectus.

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In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoter's Contribution of 20.00% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoter's contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoter's contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;

As per Regulation 237 (1) if the Shares are issued to the Promoters during the preceding One Year at a price less than the Price at which specified securities are being offer to the public in initial public offer is ineligible for minimum 's contribution. **-Not Applicable**

However as per clause (c) of sub regulation (1) of Regulation 237 of SEBI (ICDR), 2018 specified securities allotted to Promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the Promoters of the issuer and there is no change in the management: **-Not Applicable**

Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible: **-Not Applicable**

**19. Lock in of Equity Shares held by Promoters in excess of Minimum Promoter's contribution:**

In addition to Minimum Promoter's Contribution which shall be locked-in for three years, the balance 7210000 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

**20. Lock in of Equity Shares held by Persons other than the Promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 50000 Equity shares held by the Persons other than Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

**21. 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.

**22. Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoter's Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoter's contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, 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 has expired.

**23. 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;



- 
- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoter's 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.
  - The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoter's 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.
24. 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.
  25. As on date of the Draft Red Herring Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
  26. Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.
  27. Our Company has not made any public issue since its incorporation
  28. There are no safety net arrangements for this public issue.
  29. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
  30. As per RBI regulations, OCBs are not allowed to participate in this offer.
  31. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
  32. There are no Equity Shares against which depository receipts have been issued.
  33. As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there are no other class of securities issued by our Company.
  34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
  35. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
  36. Since present issue is a Book Built Issue, the allocation in the net offer to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
    - (a). not less than thirty-five per cent to Retail Individual Investors;
    - (b). not less than fifteen per cent to Non-Institutional Investors;
    - (c). not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds

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

Provided further that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.
  37. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.
  38. Our Promoters and the members of our Promoter's Group will not participate in this offer.
  39. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter's Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

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

Sr. No.	Name	Designation	No. of Equity Shares held	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Dipak Padmakant Pandya	Chairman and Managing Director	2500000	25.00	[●]
2.	Mahendra Ramabhai Patel	Whole Time Director	2500000	25.00	[●]
3.	Mita Dipak Pandya	Whole Time Director	2475000	24.75	[●]
4.	Bhavisha Kunal Chauhan	Additional Independent Director	Nil	Nil	[●]
5.	Aayush Kamleshbhai Shah	Additional Independent Director	Nil	Nil	[●]
6.	Harshalkumar Mahendrakumar Patel	Additional Non-Executive Director	10000	0.10	[●]
7.	Hareshkumar Ambalal Patel	Chief Financial Officer	Nil	Nil	[●]
8.	Chetankumar Hiralal Solanki	Company Secretary and Compliance Officer	Nil	Nil	[●]

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue constitutes a public issue of up to 3700000 Equity Shares having Face Value of ₹ 10/- of our Company at an Issue Price of ₹ [●]/- per Equity Share.

#### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Working Capital Requirements
2. General Corporate Purposes

*(Collectively referred as the “objects”)*

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 BSE SME (“BSE”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories.

Our company is ISO 9001:2015 certified and approved Electrical contractor in Class ‘A’ (highest category for Electrical Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) and Class ‘AA’ (highest category for EPC Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) with Irrigation division of Government of Gujarat. The Company is an approved electrical contractor with State Government of Rajasthan also under Indira Gandhi Nahar Pariyojana, Bikaner. Our Company is authorized by Government of Gujarat Energy and Petrochemicals Department to carry out Electrical Installation Works in the Gujarat State.

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Fresh Issue. We confirm that the activities which we have been carrying out till date are in accordance with the objects clause of our Memorandum of Association.

#### REQUIREMENT OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “Net Issue Proceeds”).

The following table summarizes the requirement of funds:

Particulars	Amount (₹ in Lakhs)
Gross Issue Proceeds	[●]*
Less: Public Issue Related Expenses	[●]
<b>Net Issue Proceeds</b>	<b>[●]*</b>

\*Subject to finalization of Basis of Allotment.

#### UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
1.	To Meet Working Capital Requirements	2,100.00	[●]

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds
2.	General Corporate Purposes <sup>^</sup>	[●]	[●]
<b>Net Issue Proceeds</b>		<b>[●]</b>	<b>[●]</b>

<sup>^</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

## MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals / Equity / Reserves	Balance from Long/Short Term Borrowing
1.	To Meet Working Capital Requirements	8,005.82	2,100.00*	5,415.82	490.00
2.	General Corporate Purposes	[●]	[●]	0	0
3.	Public Issue Expenses	[●]	[●]	0	0
<b>Total</b>		<b>[●]</b>	<b>[●]</b>	<b>5,415.82</b>	<b>490.00</b>

\* Subject to finalization of Price at the time of filing of Prospectus.

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in Internal / external circumstances or costs or other financial conditions and other factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, subject to regulatory approval required under applicable law. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please refer section titled "Risk Factors" beginning on Page 23 of this Draft Red Herring Prospectus.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. TO MEET WORKING CAPITAL REQUIREMENTS:

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water

treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories. Net Working Capital requirement of our Company as on December 31, 2023 on restated basis was ₹ 4,329.15 Lakhs as against that of ₹ 3,024.34 Lakhs, ₹ 1,785.40 Lakhs and ₹ 1,671.10 Lakhs as on March 31, 2023, March 31, 2022 and March 31, 2021 respectively. The Net Working capital requirements for the FY 2023-24 is estimated to be ₹ 4,399.76 Lakhs, ₹ 6,138.80 Lakhs for FY 2024-25 and ₹ 8,005.82 lakhs in FY 2025-26. The Company will meet the requirement to the extent of ₹ 2,100.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

#### Reasons for raising additional working capital.

We primarily secure contracts through a competitive tender bidding process. Our pricing strategy is carefully tailored to each project's unique requirements, taking into account factors such as engineering skills required for the project, construction type, estimated project duration, and the specific raw materials, equipment, and skilled manpower needed for successful project execution. We offer flexible payment terms to our clients other than Government, usually extending our services on credit. While we maintain a meticulous record of receivables from our customers, the settlements are typically made on a periodic basis.

The company has achieved a great reputation in this field within a short span of time with its strong & effective management and intime project execution. We are proud to highlight our accomplishments and ongoing efforts in various projects. These projects not only met but exceeding our clients' expectations, providing a lasting benefit to the community. It underscores our commitment to delivering high quality, impactful projects that meets diverse needs and drive progress.

Our business is working capital intensive and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks, financial institutions and unsecured lenders. Our Company requires additional working capital for funding future growth requirements of our Company and for other corporate purposes.

Company's Current On-going major projects (Order Book) stands at ₹ 38,541.23 lakhs, out of which ₹ 21,918.24 lakhs is yet to be booked. Kindly refer Company's On-going major projects on Page No. 100 of this Draft Red Herring Prospectus. Out of Total Order book, Company has acquired Orders worth ₹ 12,379.99 lakhs in FY 2023-24 being 32.12% of Total Order Book. We expect that our working capital requirement will correspondingly increase in line with increase in our order book and increase in revenue from operations.

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

(₹ in lakhs)

Particulars	(Projected)		(Estimated)	(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Goods in job (Turnkey Projects)	3,297.34	2,747.05	2,039.30	2,476.11	1,539.30	641.79	20.58
Trade receivables	4,823.76	3,701.32	2,446.45	1,978.91	3,131.72	2,079.97	1,840.71
Cash and cash equivalents	36.28	25.49	41.62	29.24	196.75	204.89	146.52
Loans and Advances	693.25	563.02	457.16	406.54	442.05	512.81	396.44
Other Assets	2,408.43	1,842.01	1,423.49	1,423.96	1,051.93	942.27	714.41
<b>Total Current Assets</b>	<b>11,259.05</b>	<b>8,878.88</b>	<b>6,408.02</b>	<b>6,314.76</b>	<b>6,361.75</b>	<b>4,381.74</b>	<b>3,118.66</b>
Trade payables	2,695.45	2,268.96	1,671.21	1,567.91	3,118.27	2,341.74	1,283.18
Other Liabilities	132.99	120.97	81.94	104.32	82.55	130.52	45.64
Short-term provisions	424.80	350.14	255.11	313.37	136.59	124.08	118.74
<b>Total Current Liabilities</b>	<b>3,253.23</b>	<b>2,740.07</b>	<b>2,008.26</b>	<b>1,985.61</b>	<b>3,337.41</b>	<b>2,596.34</b>	<b>1,447.56</b>
<b>Net Working Capital</b>	<b>8,005.82</b>	<b>6,138.80</b>	<b>4,399.76</b>	<b>4,329.15</b>	<b>3,024.34</b>	<b>1,785.40</b>	<b>1,671.10</b>

Particulars	(Projected)		(Estimated)	(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Sources of Funds</b>							
Internal Accruals / Borrowing <sup>[1]</sup>	5,905.82	4,938.80	4,399.76	4,329.15	3,024.34	1,785.40	1,671.10
Proceeds from IPO*	2,100.00	1,200.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>8,005.82</b>	<b>6,138.80</b>	<b>4,399.76</b>	<b>4,329.15</b>	<b>3,024.34</b>	<b>1,785.40</b>	<b>1,671.10</b>

<sup>[1]</sup>As on December 31, 2023, Company has outstanding amount of ₹ 1,430.19 lakhs as Working Capital, Business loan and Cash Credit limit from various Bank.

\*The estimates of incremental working capital requirements for the year ended March 31, 2024, March 31, 2025 and Fiscal 2026

(₹ in lakhs)

Particulars	31-Mar-26	31-Mar-25	31-Mar-24
Incremental Working Capital	1,867.02	1,739.04	1,375.42
<b>Funding Pattern</b>			
From Internal Accruals / Borrowing	967.02	539.04	1,375.42
<b>From IPO Proceeds</b>	<b>900.00</b>	<b>1,200.00</b>	<b>0.00</b>

Assumptions for working capital requirements:

Particulars	Holding level (in Months/Days)						
	(Projected)			(Restated Basis)			
	31-Mar-26	31-Mar-25	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Trade Receivables (A)</b>							
Number of months of Trade Receivables	3.01	2.77	2.49	2.37	3.70	4.04	4.70
Number of Days of Trade Receivables	90.00	83.00	75.00	71.00	111.00	121.00	141.00
<b>Goods in job (Turnkey Projects) (B)</b>							
Number of months for Goods in job (Turnkey Projects)	2.44	2.43	2.45	3.54	2.13	1.26	0.06
Number of Days for Goods in job (Turnkey Projects)	73.00	73.00	73.00	106.00	64.00	44.00	2.00
<b>Current Liabilities (C)</b>							
Number of months of Trade Payable	2.00	2.01	2.01	2.24	4.07	4.44	3.16
Number of days of Trade Payable	60.00	60.00	60.00	67.00	129.00	160.00	117.00

Note:

1. Holding period level (in months/days) of Trade Receivables is calculated by dividing trade receivables by revenue from operations multiplied by number of months/days in the year/period.
2. Holding period level (in months/days) of Goods in job (Turnkey Projects) is calculated by dividing Stock-in-trade by sum of Cost of materials consumed and Purchases of stock-in-trade multiplied by number of months/days in the year/period.
3. Holding period level (in months/days) of Trade Payables is calculated by dividing trade payables by sum of Cost of materials consumed and Purchases of stock-in-trade multiplied by number of months/days in the year/period.

**Source: Based on certificate by Peer Reviewed Auditor, M/s. S V J K & Associates, Chartered Accountants vide its certificate dated June 10, 2024, bearing UDIN: 24193591BKAFMS2577.**

Our Company's estimated working capital requirements on a restated basis are based on the following key assumptions:

Sr. No.	Particulars	Details
<b>Current Assets</b>		
1.	Trade receivables	<p>Trade receivables are amount owed to Company by customers following sale of goods and services i.e. Work Contract Services and Sale of Products on credit.</p> <p>Our Company had trade receivable days in the range of 110-141 days in the Financial Year 2020-21, 2021-22, and Financial Year 2022-23. Company's Trade Receivable holding days has decreased to 71 days. This positive trend can be attributed to the favourable credit terms offered by our customers.</p> <p>Company estimates Trade Receivables Holding period of 75 days in FY 2023-24 (in line with existing holding period for the period ended December 31, 2023) and gradually increasing with increase in Revenue from Operation to 80-85 days in FY 2024-25, to 85-90 days in FY 2025-26. Increase in Trade Receivable days is mainly due to increase in estimated volume of sales and increase in amount receivable from customers.</p>
2.	Goods in job (Turnkey Projects)	<p>Goods in job (Turnkey Projects) of our company consists of Goods used in the execution of project for which Invoicing is pending.</p> <p>With increase in Value of Work orders as well as increase in time to complete the project. Company's Goods in job holding days has increased from 2 days in FY 2020-21 to 44 days in FY 2021-22 to 64 days in FY 2022-23. Company's Goods in job holding period for the period ended December 31, 2023 was 106 days which would get normalised by year end.</p> <p>Company estimates Goods in job Holding period to range between 70-75 days (in line with existing holding period for the FY 2022-23) in FY 2023-24, FY 2024-25, and in FY 2025-26.</p>
<b>Current Liabilities</b>		
3.	Trade Payables	<p>Trade payables are amount to be paid to suppliers by company following purchase of Raw material and stock-in-trade by supplier on credit.</p> <p>The trade payables holding period increased from 117 days for the FY 2020-21 to 160 days in FY 2021-22, to 129 days in FY 2022-23. Company's trade payable holding days reduced to 67 days for the period ended December 31, 2023.</p> <p>Company estimates Trade Payable Holding period of 60 days in FY 2023-24 as well as in FY 2024-25, and in FY 2025-26. Company expects better pricing and continuous supply from vendors by making early payment and negotiating better deals. With improved cash flow, we can settle our trade payables more promptly, further reducing the holding period which will provide better pricing from vendors and negotiating better deals.</p>

Apart from above there are other working capital requirements such as Cash and cash equivalents, Other Assets, Loans and advances, short term provisions and other Liabilities. Details of which are given below.

<b>Cash and Cash Equivalents</b>	Cash and cash equivalents include cash in hand and balance in current account excluding Fixed Deposits held under lien. Cash and Cash Equivalent balance is estimated based on amount required for day-to-day Business operation and for expected Business requirement of company.
<b>Loans and Advances</b>	Loans and advances mainly include GST Credit/ Cash ledger Balance, advance to suppliers for supply of material, advance to employees, Prepaid expenses and Other Loans & Advances. Loans and advances is estimated based on previous year's outstanding amount and for expected Business requirement of company
<b>Other Assets</b>	Other Assets include Security Deposits with Customers as Projects Retention Money, and Other Deposits. Projected Other Assets are estimated based on previous year outstanding amount and for expected Business requirement of company.
<b>Other liabilities</b>	Other Liabilities mainly include Statutory dues, Advance from Customers, and Other payables. Other current liabilities are estimated based on previous year outstanding amount and for expected Business requirement of company.
<b>Short-term provisions</b>	Short-term provisions mainly include provision for gratuity and Salary and Reimbursements (including Directors' remuneration), tax and expenses. Short-term provisions are estimated based on previous year outstanding amount and for expected Business requirement of company.

## 2. GENERAL CORPORATE PURPOSES:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ [●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- acquisition/hiring of land/property for building up corporate house,
- hiring human resources including marketing people or technical people in India or abroad,
- we may also enter into strategic alliances with other body corporates for expansion of our business in abroad or in India.
- funding growth opportunities;
- servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- working capital;
- meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- strategic initiatives and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## 3. ISSUE RELATED EXPENSES



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

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable to Legal Advisors	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Three Years)	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses.)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>	<b>100.00</b>	<b>[●]</b>

**Notes:**

- Up to June 08, 2024, Our Company has deployed/incurred expense of ₹ 9.32 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals / Borrowings duly certified by Statutory Auditor, M/s. B V Gajera & Co., Chartered Accountants vide its certificate dated June 11, 2024, bearing UDIN: 24185348BKAUGB8223.
- Any expenses incurred towards aforesaid issue related expenses during the period from September 30, 2023 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:  
Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
- The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
- Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No:

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

## SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

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

(₹ in Lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from Internal Accruals / Borrowing	Amount to be funded from the Net Issue Proceeds	Amount already deployed	Estimated Utilization of Net Proceeds In FY 2024-25)*	Estimated Utilization of Net Proceeds In FY 2025-26)*
1.	Working Capital Requirements	8,005.82	5,905.82	2,100.00	0.00	1,200.00	900.00
2.	General Corporate Purposes	[•]	[•]	[•]	[•]	[•]	[•]
<b>Total</b>		[•]	[•]	[•]	[•]	[•]	[•]

\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of issue proceeds may be interchangeable.

However, the use of issue proceeds for General Corporate Purposes shall not exceed 25% at any point of time.

## APPRAISAL REPORT

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

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

## INTERIM USE OF FUNDS

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

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

## MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Hearing Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

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## **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **OTHER CONFIRMATIONS**

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

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## BASIS FOR ISSUE PRICE

The Price Band and Issue Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the following quantitative and qualitative factors as described below. The financial data presented in this section are based on our Company's Restated Financial Statements. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections/chapters titled "Risk Factors", "Business Overview" and "Restated Financial Information" on page no. 23, 100 and 164 respectively, of this Draft Red Herring Prospectus to have an informed view before making an investment decision.

### QUALITATIVE FACTORS

- Comprehensive Solutions
- Strategic Partnerships
- Prompt Decision-Making
- Emergency Response Expertise
- Experienced Promoters and management team
- Robust Order Book
- Stability and Continuity

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 100 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

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

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

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

#### Weighted Average

Financial Year/Period	Basic and Diluted EPS (in ₹)	Weights
Financial Year ended March 31, 2023	6.01	3
Financial Year ended March 31, 2022	2.58	2
Financial Year ended March 31, 2021	2.02	1
<b>Weighted Average</b>	<b>4.20</b>	
Period ended on December 31, 2023*	5.28	

\* Not Annualized.

#### Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year/ Total of weights.
2. Basic and diluted EPS are based on the Restated Financial Information.

#### Simple Average

Financial Year/Period	Basic and Diluted EPS (in ₹)
Financial Year ended March 31, 2023	6.01
Financial Year ended March 31, 2022	2.58
Financial Year ended March 31, 2021	2.02
<b>Simple Average</b>	<b>3.54</b>
Period ended on December 31, 2023*	5.28

\* Not Annualized.

Notes:

1. Simple average = Aggregate of year-wise EPS divided by the aggregate of EPS for each year/ Total of weights.
2. Basic and diluted EPS are based on the Restated Financial Information.

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

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Floor Price / Cap Price}}{\text{Restated Earnings Per Share}}$$

Particulars	EPS (in ₹)	P/E at the Floor Price (No. of times) **	P/E at the Cap Price (No. of times) **
Based on Basic and Diluted EPS as per the Restated Financial Information for the Financial Year ended March 31, 2023	6.01	[●]	[●]

\*\* The details shall be provided post the fixing of price band by our Company at the stage of Red Herring Prospectus or the filing of price band advertisement.

**Industry PE:**

Industry Average	P/E Ratio	Company Name
Highest	38.90	HEC Infra Projects Limited
Lowest	38.90	HEC Infra Projects Limited
Average	38.90	HEC Infra Projects Limited

**Note:** The highest and lowest industry P/E shown above is based on the peer set provided in Point 5 below under “Comparison of Accounting Ratios with Listed Peer Group Companies”, listed peer includes HEC Infra Projects Limited only, which have been identified by our Company

**3. Return on Net Worth:**

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

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2023	24.96%	3
Financial Year ended March 31, 2022	14.28%	2
Financial Year ended March 31, 2021	13.02%	1
<b>Weighted Average</b>	<b>19.41%</b>	
Period ended on December 31, 2023*	17.99%	

\* Not Annualized.

Note: Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

#### 4. Net Asset Value per Equity Share:

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

Particular	Amount (in ₹)
Financial Year ended March 31, 2021	15.49
Financial Year ended March 31, 2022	18.07
Financial Year ended March 31, 2023	24.08
Period ended on December 31, 2023	29.36
<b>After the Issue</b>	
- At Floor Price	[●]
- At Cap Price	[●]
Issue Price*	[●]

\* To be determined after the book building process.

Notes:

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

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

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹)	Diluted EPS (₹)	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
H.M. Electro Mech Limited	Standalone	10.00	[●]	6.01	[●]	24.96%	24.08	10,148.70
<b>Peer Group</b>								
HEC Infra Projects Limited	Standalone	10.00	30.25	0.78	38.90	2.62%	29.73	5,173.39

**Source:** All the financial information for listed industry peer mentioned above is on a standalone basis sourced from the Annual Reports/Information of the peer company uploaded on the NSE website for the year ended March 31, 2023.

Notes:

1. P/E Ratio has been computed based on the closing market price of equity shares on the NSE on March 31, 2023 divided by the Diluted EPS.
2. RoNW is computed as net profit after tax divided by the closing net worth. Net worth has been computed as sum of share capital and reserves and surplus.
3. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares adjusted for bonus and sub-division of shares.
4. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share.
5. The Price Band and Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares by the Book Building Process and on the basis of the above mentioned quantitative and qualitative ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Restated Financial Information" beginning on page nos. 23, 100 and 164 respectively of this Draft Red Herring Prospectus.

#### KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS ("KPIs")

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 10, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of

the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. S V J K and Associates, Peer Review Auditors by their certificate dated June 10, 2024 having UDIN: 24193591BKAFMQ9798.

The KPIs of our Company have been disclosed in the sections “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 100 and 166, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 1.

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

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

#### FINANCIAL KPIs OF OUR COMPANY

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	7,526.67	10,148.70	6,184.32	4,696.89
Growth in Revenue from Operations (YoY %)	-	64.10%	31.67%	-
Gross Profit (₹ in Lakhs)	1,235.84	1,461.98	914.61	753.56
Gross Profit Margin (%)	16.42%	14.41%	14.79%	16.04%
EBITDA (₹ in Lakhs)	801.67	890.76	349.45	259.37
EBITDA Margin (%)	10.65%	8.78%	5.65%	5.52%
Profit After Tax (₹ in Lakhs)	528.27	601.15	258.00	201.59
PAT Margin (%)	7.02%	5.92%	4.17%	4.29%
RoE (%)	19.77%	28.52%	15.38%	13.92%
RoCE (%)	21.40%	36.17%	19.35%	15.34%
Net Fixed Asset Turnover (In Times)	216.95	259.48	161.68	128.02
Operating Cash Flows (₹ in Lakhs)	(482.65)	(414.21)	503.87	(47.95)

**Source: The Figure has been certified by our Peer Review Auditors, M/s. S V J K and Associates, Chartered Accountants vide their certificate dated June 10, 2024 having UDIN: 24193591BKAFMQ9798.**

#### 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 a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- 3) Gross Profit is calculated as Revenue from Operations less Cost of Material Consumed, Purchase of Stock in Trade and Changes in inventories.
- 4) Gross Profit Margin (%) is calculated as Gross Profit divided by Revenue from Operations.
- 5) EBITDA is calculated as Profit Before Extraordinary Items and Tax, plus tax expenses (consisting of current tax and deferred tax), finance costs and depreciation and amortization expenses reduced by other income.
- 6) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- 7) Profit After Tax Means Profit for the period/year as appearing in the Restated Financial Statements.
- 8) PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
- 9) RoE (Return on Equity) (%) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.

- 10) RoCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes (Profit before extraordinary items and tax plus Interest Expense/finance costs) divided by average capital employed. Capital Employed includes Tangible Net Worth, Long-Term Borrowing & Short-Term Borrowing and Deferred Tax Liability.
- 11) Net Fixed Asset Turnover is calculated as Net Turnover divided by Average Fixed Assets which consists of Tangible assets.
- 12) Operating cash flows means net cash generated from operating activities as mentioned in the Restated Financial Statements.

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ in Lakhs)	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business.
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of our business for the respective period.
Gross Profit (₹ in Lakhs)	Gross Profit provides information regarding the profits from manufacturing and processing of products by the Company.
Gross Profit Margin (%)	Gross Profit Margin is an indicator of the profitability on sale of products manufactured and sold by the Company.
EBITDA (₹ in Lakhs)	EBITDA provides a comprehensive view of our financial health. It facilitates evaluation of the year-on-year performance of our business and excludes other income
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the profitability of our business and assists in tracking the margin profile of our business and our historical performance, and provides financial benchmarking against peers.
Profit After Tax (₹ in Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of our business and provides financial benchmarking against peers as well as to compare against the historical performance of our business.
RoE (%)	RoE provides how efficiently the Company generates profits from shareholders' funds
RoCE (%)	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
Net Fixed Asset Turnover (In Times)	Net Fixed Asset turnover ratio is indicator of the efficiency with which our Company is able to leverage its assets to generate revenue from operations.
Operating Cash Flows (₹ in Lakhs)	Operating cash flows provides how efficiently our company generates cash through its core business activities

#### COMPARISON OF FINANCIAL KPIs OF OUR COMPANY AND OUR LISTED PEERS:

Particulars	H.M. Electro Mech Limited			HEC Infra Projects Limited		
	For the Year ended on			For the Year ended on		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations (₹ in Lakhs)	10,148.70	6,184.32	4,696.89	5,173.39	4,372.48	3,756.00
Growth in Revenue from Operations (%)	64.10%	31.67%	-	18.32%	16.41%	-
Gross Profit (₹ in Lakhs)	1,461.98	914.61	753.56	2,504.58	1,543.05	1,392.00
Gross Profit Margin (%)	14.41%	14.79%	16.04%	48.41%	35.29%	37.06%
EBITDA (₹ in Lakhs)	890.76	349.45	259.37	330.82	263.90	230.00
EBITDA Margin (%)	8.78%	5.65%	5.52%	6.39%	6.04%	6.12%
Profit After Tax (₹ in Lakhs)	601.15	258.00	201.59	78.83	51.45	31.00
PAT Margin (%)	5.92%	4.17%	4.29%	1.52%	1.18%	0.83%
RoE (%)	28.52%	15.38%	13.92%	2.65%	1.77%	1.08%



Particulars	H.M. Electro Mech Limited			HEC Infra Projects Limited		
	For the Year ended on			For the Year ended on		
	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2023	March 31, 2022	March 31, 2021
RoCE (%)	36.17%	19.35%	15.34%	5.03%	3.95%	3.52%
Net Fixed Asset Turnover (In Times)	259.48	161.68	128.02	26.18	20.76	17.02
Operating Cash Flows (₹ in Lakhs)	(414.22)	503.87	(47.95)	840.96	-355.51	163.00

Source: The Figure has been certified by our Peer Review Auditors, M/s. S V J K and Associates, Chartered Accountants vide their certificate dated June 10, 2024 having UDIN: 24193591BKAFMQ9798.

#### WEIGHTED AVERAGE COST OF ACQUISITION:

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

The details of issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days, are as follows:

*There has been no issuance of Equity Shares during the 18 months preceding the date of this Draft Red Herring Prospectus.*

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

The details of secondary sale / acquisition of whether equity shares or convertible securities, where the promoter, members of the promoter group, selling shareholders, 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 Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of 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, are as follows:

*There has been no transfer of Equity Shares during the 18 months more than 5% of the fully diluted paid up share capital of the Company preceding the date of this Draft Red Herring Prospectus.*

**c) Price per share based on the last five primary or secondary transactions;**

Since there are No such transactions to report to under (a) and (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoters / Promoter Group entities or Selling Shareholder 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 Draft Red Herring Prospectus irrespective of the size of transactions, is given below:

*Since, there has been no such transaction (allotment / transfer) of Equity Shares not older than 3 years prior to the date of this Draft Red Herring Prospectus. The details of allotment of 1,00,00,000 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Associations are as follows:*

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Mahendra Ramabhai Patel	25,00,000	10	10
2.	Dipak Padmakant Pandya	25,00,000	10	10
3.	Mita Dipak Pandya	24,75,000	10	10
4.	Varsha Mahendra Patel	24,75,000	10	10
5.	Suhani Swapnil Patel	20,000	10	10
6.	Harshalkumar Mahendrakumar Patel	10,000	10	10
7.	Pinal Mahendra Patel	10,000	10	10
8.	Twinkal Sagarkumar Paneliya	10,000	10	10
<b>Total</b>		<b>1,00,00,000</b>	<b>10</b>	<b>10</b>

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

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price	Cap Price
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	N.A.	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.**	N.A.	N.A.	N.A.
Since there were no secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company, the information has been disclosed for price per share of our Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.	10.00	[●] times	[●] times

\* The details shall be provided post the fixing of price band by our Company at the stage of Red Herring Prospectus or the filing of price band advertisement.

**Note:**

**Justification for Basis of Issue price: -**

1. The following provides a detailed explanation for the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoter, the Promoter Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the period ended December 31, 2023 and Financial Years 2022-23, 2021-22 and 2020-21.

[●]

(To be included on finalization of Price Band)

2. The following provides an explanation to the Issue Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoter, the Promoter

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Group or other shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed in paragraph above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[●]

*(To be included on finalization of Price Band)*

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with “*Risk Factors*”, “*Business Overview*” and “*Summary of Restated Financial Information*” beginning on pages 23, 100 and 43, respectively of this Draft Red Herring Prospectus, to have a more informed view.

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## STATEMENT OF SPECIAL TAX BENEFITS

To,  
The Board of Directors,  
H.M. Electro Mech Limited  
305, Ashram Avenue, B/H. Kochrab Ashram,  
Paldi., Ahmedabad,Gujarat, 380006, India

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to H.M. Electro Mech Limited (“the company”), its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

**Reference - Initial Public Offer of Equity Shares by H.M. Electro Mech Limited.**

1. We hereby confirm that the enclosed Annexure I, prepared by H.M. Electro Mech Limited (“the Company”), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including 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 “Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. We have examined the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows, for the period ended on December 31, 2023, March 31, 2023, 2022 and 2021; together with the respective Schedules, Annexures and Notes thereto, prepared in accordance with the requirements of the Companies Act, 1956, as amended and the Companies Act, 2013, to the extent notified and made effective (together, the "Companies Act") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and the Guidance Note on "Reports in Company's Prospectus (Revised)" issued by the ICAI, to the extent applicable, as amended from time to time ("Guidance Note") (together with the "Restated Financial Statements").
3. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement
4. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. We do not express any opinion or provide any assurance as to whether
  - i) the Company or its shareholders will continue to obtain these benefits in future;

- 
- ii) the conditions prescribed for availing the benefits have been met with; and  
iii) the revenue authorities courts will concur with the views expressed herein.
7. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.
8. No assurance is given that the revenue authorities / Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
9. 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.
10. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For M/s. SVJK and Associates**  
**Chartered Accountants**  
**FRN: 135182W**

**CA Reeturaj Verma**  
**Partner**  
**Membership No.: 193591**  
**UDIN: 24193591BKAFMJ3551**  
**Place: Ahmedabad**  
**Date: June 10, 2024**

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## ANNEXURE I TO THE STATEMENT OF TAX BENEFITS

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

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

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

We hereby give our consent to include our above referred opinion regarding the special tax benefits available to the Company, to its shareholders in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

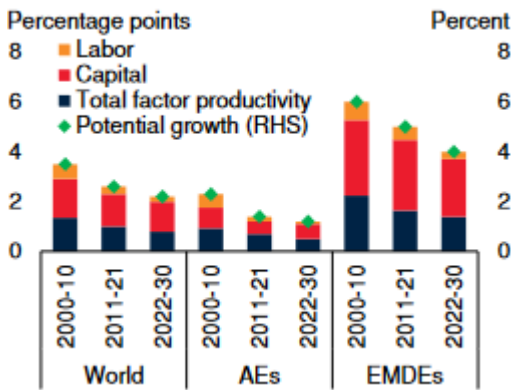
SECTION VIII – ABOUT THE COMPANY

INDUSTRY OVERVIEW

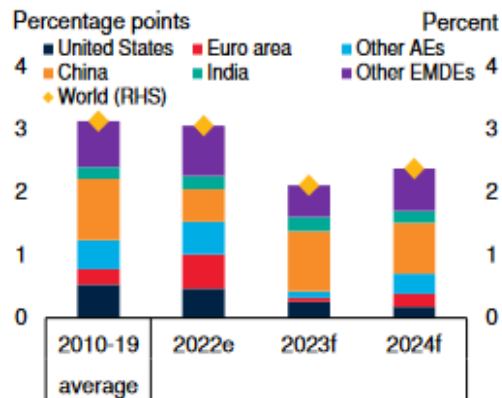
The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the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

GLOBAL ECONOMY

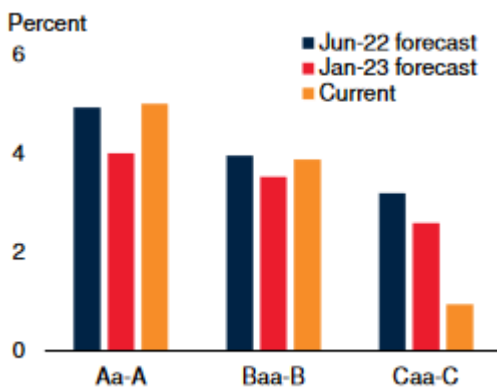
The global economy is poised for a significant slowdown in the current year, marked by a conspicuous deceleration in advanced economies. The first half of the 2020s is anticipated to register as one of the weakest half-decades in the past three decades for emerging market and developing economies (EMDEs), attributable to a combination of cyclical dynamics and a deceleration in potential growth. EMDEs, particularly those with lower credit ratings, are projected to undergo a notably sharp slowdown in the coming months. Furthermore, inflation continues to be elevated in numerous countries, and its persistence above pre-pandemic levels is foreseen to extend beyond the year 2024. Excluding China from the equation, EMDEs are expected to make minimal progress in narrowing the gap in per capita incomes with advanced economies throughout the forecast horizon.



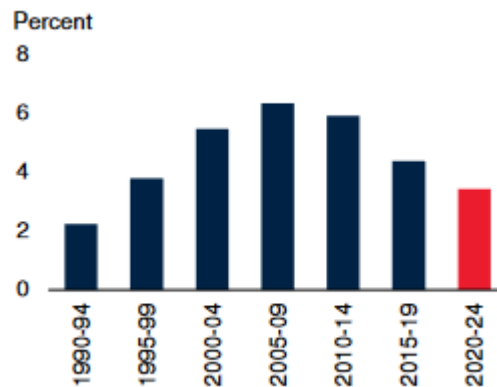
Contribution to potential growth



Contribution to global growth



EMDE growth in 2023, by credit rating



Growth in EMDEs

The global engineering services market is anticipated to witness substantial growth, expanding from \$1,147 billion in 2023 to \$1,188.41 billion in 2024, reflecting a compound annual growth rate (CAGR) of 3.6%. The growth in the historic period can be attributed to increased demand for industrial robots, a rise in industrial automation and implementation of industry

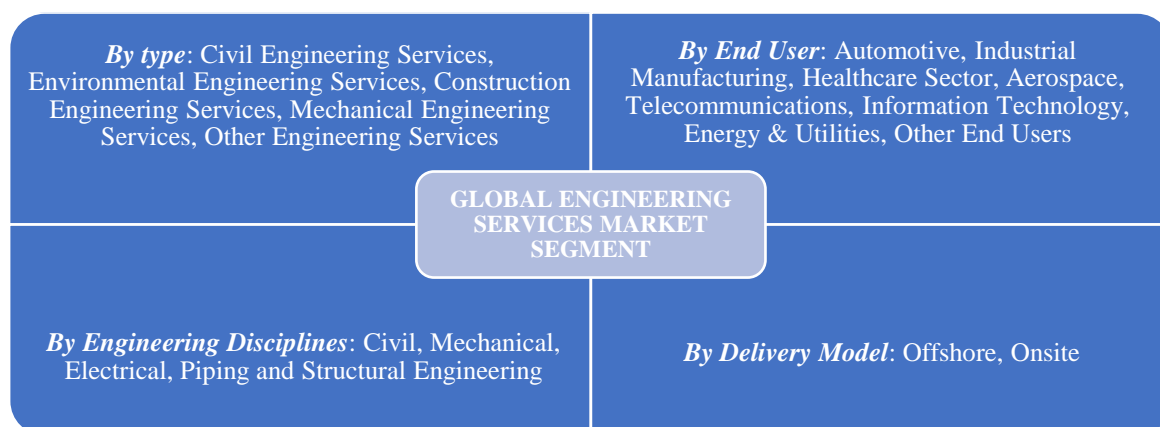
4.0 factors that negatively affect growth in the historic period were the lack of quality control and safety concerns of engineering firms.

The engineering services market is expected to benefit from steady economic growth in developed and developing countries at a CAGR of 3.6%. The growth in the forecast period can be attributed to increasing digitization, rising demand for IoT (Internet to things) solutions for smart manufacturing, rising prominence of robots in the construction industry, government investments in aviation industry, continuous development of smart cities and a rapid adoption of smart technologies.

Major trends in the forecast period include focus on partnerships and collaborations, adoption of artificial intelligence, use of blockchain, investment in development of smart cities etc

The International Monetary Fund (IMF) predicts that global real GDP growth will be 3.6% from 2021 to 2023. This trend will be mainly driven by regions of Asia and Africa. According to the report, Asia will represent 66% of the global middle-class population by 2030. For instance, the Indian IT-BPM industry grew by 7.7% in FY 2017, with software products and engineering services reaching US\$ 25 billion. Going forward, the Asia-Pacific and Middle Eastern regions are expected to be the fastest- growing markets in the engineering services, design, animation, and graphic design industries. Developing countries such as India and China have started to attract foreign investment to improve their infrastructure. This was mainly due to an increase in internet penetration, a growth in the population, and increasing economic activity.

Engineering services can provide extensive consultation to a company needing expert advice and solutions. Engineering services firms can accept the project and work on evaluating, designing, simulating and testing the product.



In conclusion, while the global economy faces challenges such as geopolitical tensions and disruptions, the growth prospects suggest resilience and adaptability, with the engineering services sector, in particular, poised for steady expansion, reflecting the dynamic nature of the world economy.

*(Source: Global Economic Prospects- A World Bank Group Flagship Report 2023, Services Global Market Report 2023)*

## INDIAN ECONOMY

### Introduction

India’s Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others. The Indian electrical equipment sub-sector holds the top position, with plant equipment and earthmoving/mining machinery following closely. Projections indicate that the market share of electrical equipment in India is poised to increase by US\$ 33.74 billion from 2021 to 2025, with a projected growth momentum accelerating at a Compound Annual Growth Rate (CAGR) of 9%. Additionally, investments in the engineering Research and Development (R&D) sector are anticipated to reach US\$ 63 billion by the year 2025. The Index of Industrial Production (IIP) is forecasted to reach 143.4 in June 2023, compared to 138.3 in June 2022, in absolute terms.

The engineering sector, constituting the largest segment among India's industrial sectors, encompasses 27% of total factories and represents 63% of foreign collaborations in the industrial landscape. The burgeoning demand for engineering services is fuelled by capacity expansion in key industries such as infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India's competitive edge in manufacturing costs, market knowledge, technology, and innovation across various engineering sub-sectors further contributes to the sector's growth. In recent years, India's engineering sector has experienced remarkable expansion, driven by increased investments in infrastructure and industrial production. Given its close association with the manufacturing and infrastructure sectors, the engineering industry holds immense strategic significance for India's economy.

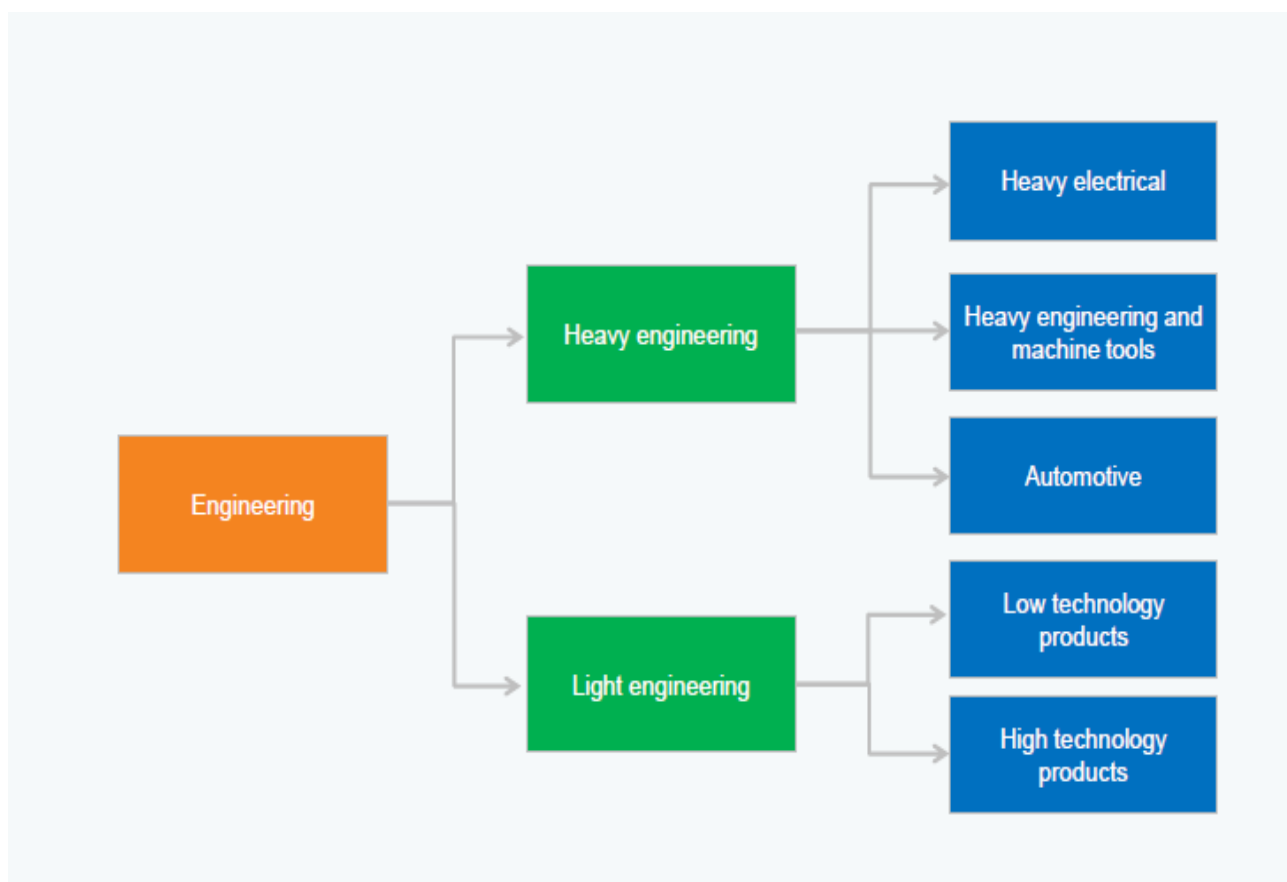


The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

The Indian industrial fasteners market is expected to reach a value of Rs. 460 billion by 2023 expanding at a CAGR of ~9.6% from 2018. India steam boiler systems market size is expected to reach nearly US\$ 22.56 billion by 2027 with the CAGR of 4.63% during the forecast period. The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025. The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25. Indian switchgear market is projected to grow at a CAGR of over 15% through 2023, on account of rising development across residential, commercial and industrial end use sectors.

India material handling equipment market share is anticipated to grow significantly from 2017-2024 due to an attractive economic landscape, and significant demand for goods movement. Material handling equipment have four categories: storage and handling equipment, engineered systems, industrial trucks and bulk material handling. The Indian material handling equipment sector has grown at a CAGR of 10% between 2016-2020.

### Market Overview



**Major Segments of Engineering**  
*Heavy engineering - key segments*



**Machine tools:** The Indian machine tool market size reached US\$ 1.4 billion in 2022. The market is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28. The IMARC expects the machine tools market to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28.



**Process plant equipment:** The market size of process plant equipment sector stood at US\$ 3.7 billion. Nearly 65% of the total manufacturers are small and medium enterprises.



**Material handling equipment:** India material handling equipment market share is anticipated to grow significantly from 2017-2024 due to an attractive economic landscape, and significant demand for goods movement. Material handling equipment have four categories: storage and handling equipment, engineered systems, industrial trucks and bulk material handling.

The Indian material handling equipment sector has grown at a CAGR of 10% between 2016-2020.

### Light engineering - key segments

- Indian foundries are expected to grow at a compound annual growth rate of about 12.5% from 2018 until 2023.
- There are in excess of 5,000 foundries in India of which about 85% are small units, 10% are medium sized and 5% are large, organized foundries.
- Foundry industry has a turnover of approx. US\$ 19 billion with export approx. US\$ 3.1 billion.

**Casting and forging**



- There are 750-800 domestic Medical Devices manufacturers in India, with an average investment of US\$ 2.3-2.7 million and an average turnover of US\$ 6.2-6.9 million
- India is the 4th largest market for medical devices in Asia, among the top 20 markets for medical devices worldwide.

**Medical and surgical equipment**



- The Indian industrial fasteners market is expected to reach a value of Rs. 460 billion (US\$ 5.57 billion) by 2023 expanding at a CAGR of ~9.6% from 2018.
- The Indian automotive sector is expected to be the largest consumer of industrial fasteners, accounting for a major share of the market by 2023.

**Industrial fasteners**



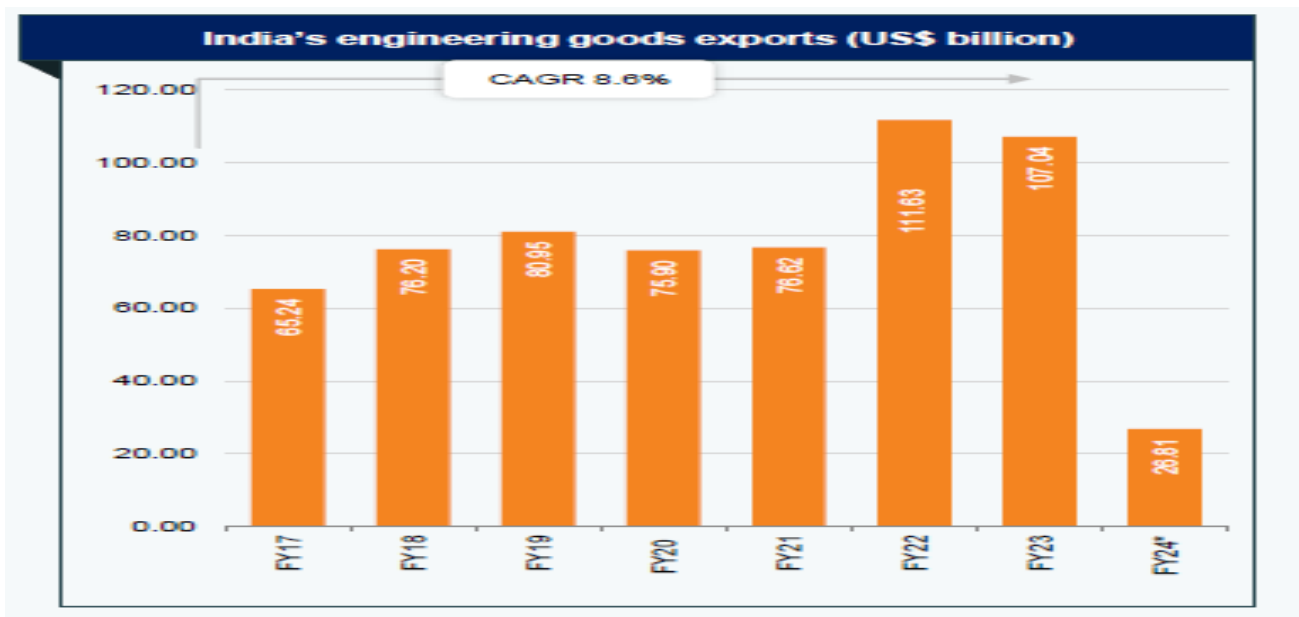
### "Analysing the Impact: A Comprehensive Overview of the Engineering Sector in the Union Budget (2023-24)"

The Union Budget 2023–24, presented by the Union Minister of Finance and Corporate Affairs Ms. Nirmala Sitharaman in Parliament on 1st February 2023, builds on the vision set out in the previous budgets and offers a blueprint for steering the economy towards a sustained high-growth trajectory.

In Budget 2023-24, Government has committed an outlay of Rs. 10 lakh crores (US\$ 120 billion) during 2023-24 towards infrastructure capital expenditure compared to Rs. 7.5 lakh crore (US\$ 90 billion) during 2022–23.

Total budgetary support for investment in the sector has been increasing rapidly in the last four years and stood at around Rs. 1.4 lakh crore (US\$ 16.8 billion) during FY23 (as of 31 October 2022). The electrical machinery industry has been de-licensed, along with 100% FDI allowed in this sector. This has facilitated the entry of major global players into the electrical machinery industry in India.

In Budget 2023, customs duty exemption is being provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles and mobile handsets.



### India's engineering goods exports

#### "Fostering Growth and Expertise: Key Government Initiatives Unveiled for Economic Development"

In November 2022, Engineering Export Promotion Council of India (EEPC) stated that the government's decision to withdraw the 15% export duty imposed on iron ore and steel products would boost engineering goods exports from the country.

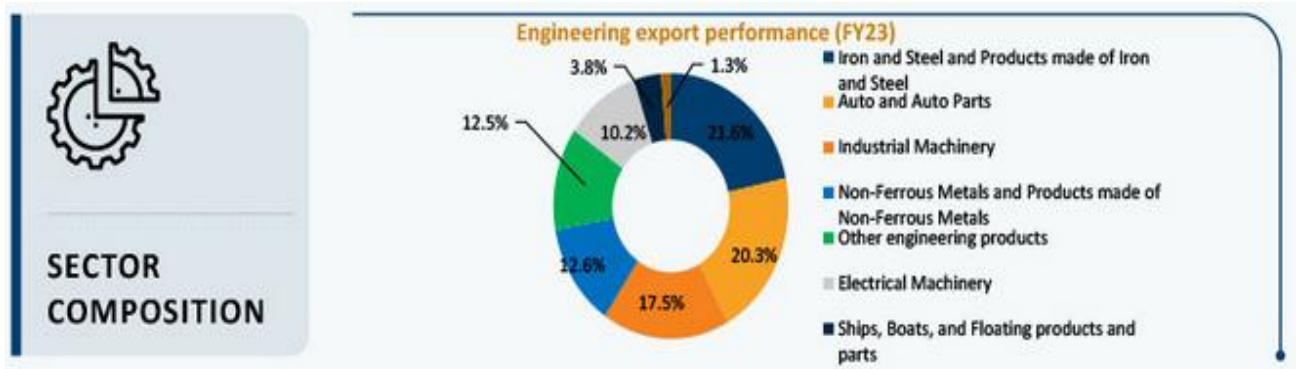
Prime Minister Mr. Narendra Modi, on the country's 75th Independence Day, announced plans to invest Rs. 100 trillion (US\$ 1.35 trillion) in infrastructure to stimulate economic development and generate employment. The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and with a projected infrastructure investment of around Rs. 111 lakh crores (US\$ 1.3 trillion), during FY20-25 to provide high quality infrastructure across the country. The NIP currently has 8,964 projects with a total investment of more than Rs. 108 lakh crores (US\$ 1.3 trillion) under different stages of implementation. Increase in the construction of National Highways (NHs)/roads over time, with 10,993 km of roads constructed in FY23 as compared to 6,061 km in FY16. In February 2022, the Prime Minister inaugurated Asia's largest bio-CNG plant set up under the Indore Smart City Project.



#### Industry in news: Positive Momentum as Indian Engineering Exports Thrive in 18 Key Markets

In October, Indian engineering exports witnessed a robust surge to 18 pivotal markets, as reported by the Engineering Exports Promotion Council (EEPC) India. Notably, the UK, the US, and the UAE experienced positive growth in exports, while countries like China, Italy, Singapore, and Indonesia reported a decline in engineering shipments during the same period, according to the trade body. The engineering exports to the US were valued at US\$ 1391.5 million, a 2.2% increase over US\$ 1361 million in the previous year. According to the report, Germany's exports in October increased by 20% to US\$ 342.7 million. According to EEPC, engineering exports to the UAE rose 2.9% annually to US\$ 348.6 million. Overall, India's engineering exports reached US\$ 8,094.20 million in October, up 7.2% from US\$ 7,550.69 million in the same month last year. The total value of engineering exports during April-October 2023 was US\$ 61.63 billion, 1.61% less than the corresponding period of the previous year of US\$ 62.63 billion.

According to Mr. Arun Kumar Garodia, Chairman of EEPC India, exports of metal products—more especially, those made of iron and steel, aluminium, and zinc—fell in October of this year. He added that the decrease in demand from the metal sector has been worsened by a number of market barriers placed on Indian exporters, as well as by the downturn in demand in developed nations, particularly the European Union. In October, India's engineering exports made up 24.11% of all merchandise exports.



**Engineering Export Performance**

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

## EXECUTIVE SUMMARY

### Services Sector

The services sector is not only the dominant sector in India's GDP but has also attracted significant foreign investment, has contributed significantly to exports and has provided large-scale employment. India's services sector covers a wide variety of activities such as trade, hotel and restaurants, transport, storage and communication, financing, insurance, real estate, business services, community, social and personal services, and services associated with construction. To enhance India's commercial services exports, share in the global services market from 3.3% and permit a multi-fold expansion in the GDP, the government is also making significant efforts in this direction.

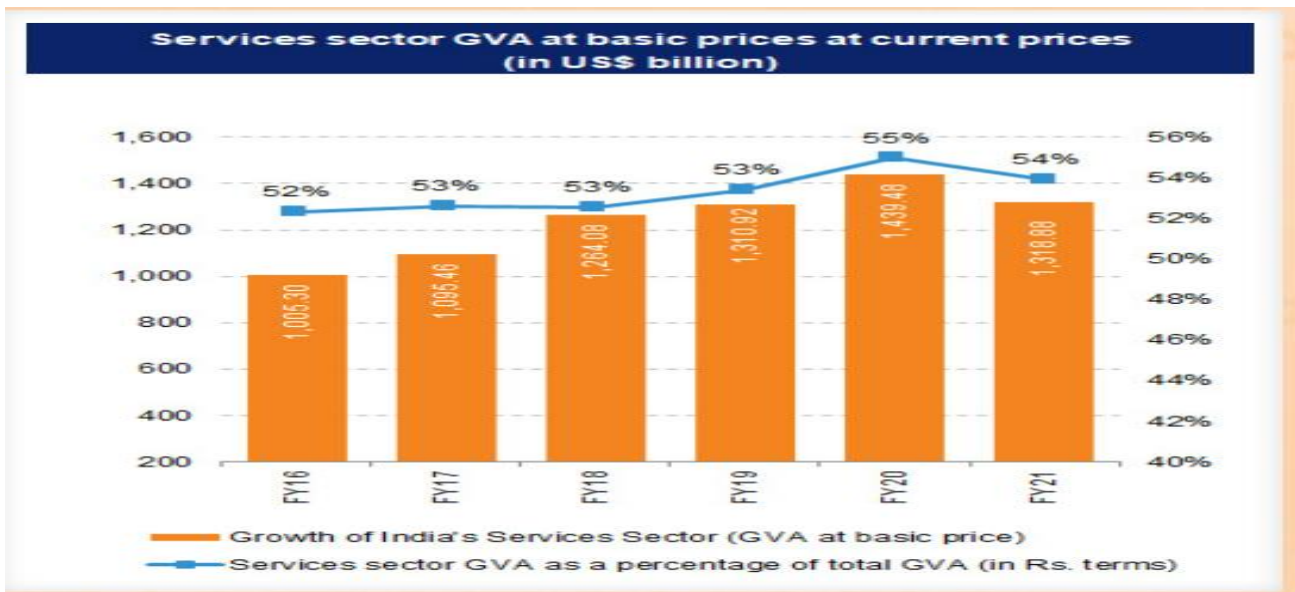
The service sector has over 50% contribution to India's GDP, and it has witnessed a growth of 10.8% during the first half of 2021-22. The service sector has emerged as the highest employment generator with a 5-7% y-o-y growth in 2022. The share of the services sector accounted for 57% of the total GVA in FY24 (April-September) as per advance estimates. The services category ranked first in FDI inflows, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

India is a unique emerging market in the globe due to its unique skills and competitive advantage created by knowledge-based services. The Indian services industry, which is supported by numerous government initiatives like smart Cities, clean India, and digital India is fostering an environment that is strengthening the services sector. The sector has the potential to open up a multi-trillion-dollar opportunity that might stimulate symbiotic growth for all nations. Service providers in India continued to signal positive demand trends in June, which underpinned a stronger increase in new business volumes and further job creation.

Services exports are projected to set a new record of US\$ 322.72 billion with a compound annual growth rate of 26.79% during FY23 as compared to FY22. India's service exports stood at US\$ 163.94 billion, whereas imports stood at US\$ 88.89 billion in (April-September) 2023-24. The services trade surplus for 2023-24 (April-September) is expected to be US\$ 75.05 billion.

### Market Size

The services sector of India remains the engine of growth for India's economy and contributed 53% to India's Gross Value Added at current prices in FY22 (as per advance estimates). The services sector's GVA increased by 6.5% in the third quarter (2022-23), and it was the main driver of aggregate GVA growth (accounting for approximately 84% of total GVA growth). The services industry performed well in H2:2022-23, boosted by contact-intensive services and building activities. India's services sector GVA increased YoY by 11.43% to Rs. 72.69 trillion (US\$ 871.59 billion) in FY24\* (April-September), from Rs. 68.81 trillion (US\$ 1,005.30 billion) in FY16. India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.



The PMI services remained in the expansion zone in September 2023, at 61, led by good demand conditions and new business gains, followed by a decline in November 2023. With the fastest growing (9.2%) service sector globally, the sector accounts for a 66% share of India's GDP and generates about 28% of the total employment in India. As per the First Advance Estimates, Gross Value Added (GVA) in the services sector is estimated to grow at 9.1% in FY23, driven by 13.7% growth in the contact-intensive services sector.

Source: <https://www.ibef.org/industry/services>

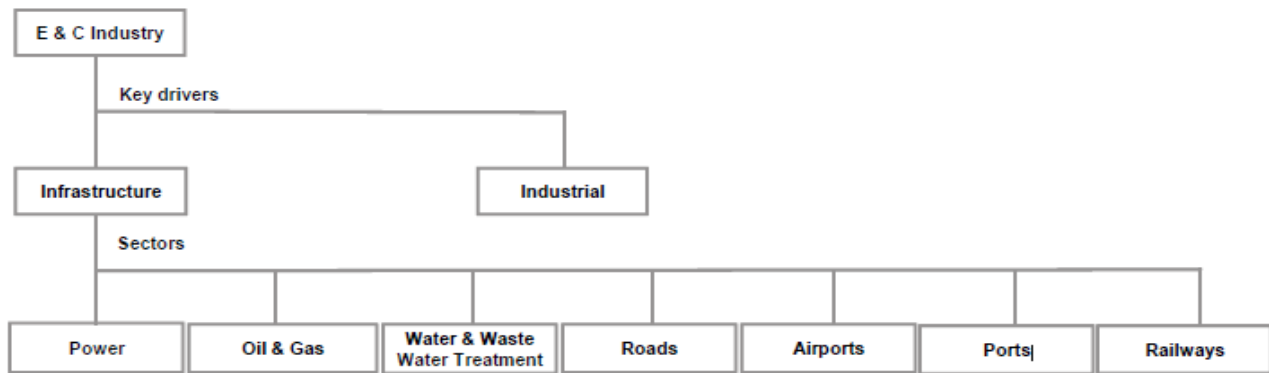
### Engineering & Construction (E&C) industry

The built environment is a multifaceted composition of social and economic infrastructures, involving key drivers such as engineering and construction service providers and owners, manufacturers, building material providers, and governmental and regulatory entities. It majorly works on EPC (Engineering, Procurement and Construction) contracts by the way of contractual agreement between a project owner and the contractor. This framework allows the owner to transfer the complete risk of design, procurement and construction to the contractor where the contractor is solely responsible for completing the project and handing it over to the owner in a turnkey condition. This is why EPC contracts are sometimes called turnkey construction contracts or simply turnkey contracts.

Over the next few years, this industry is expected to shift further toward a productized workflow. This approach can reduce the uniqueness of projects by selecting from catalogues or libraries of designs, stabilize the value chain with recurring business, embrace sustainability and circularity at its core, and take out a lot of on-site construction hours known for notoriously low productivity. At the centre of this radical shift lies technology as the catalyst and accelerator. In such a challenging environment, service excellence continues to be critical to the success of engineering and construction companies as they work to guard their value addition and capture new opportunities. Over the last few years, engineering and construction clients have elevated their expectations for a smarter built environment including smart homes, buildings, and infrastructure. They want to optimize their energy use, resolve service issues immediately, and get more value out of their built assets.

The strategic expansion of services may deliver a win-win for engineering and construction companies and for their customers. this approach fosters higher levels of customer satisfaction, as companies can cater to a broader range of client needs and preferences, thereby strengthening client relationships and establishing a positive reputation in the industry.





(Source: <https://www.ibm.com>)

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables. India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

India became a permanent member of the Washington Accord (WA) in June 2014. It is now part of an exclusive group of 17 countries that are permanent signatories of the WA, an elite international agreement on engineering studies and the mobility of engineers.

### Market Size

The Capital Goods sector contributes to 12% of India's manufacturing output and 1.8% of GDP. Market valuation of the capital goods industry was US\$ 43.2 billion in FY22.

Imports of Electrical Machinery in India increased to US\$ 11.38 billion in FY23. The Indian electrical equipment industry comprises of two broad segments, Generation equipment (boilers, turbines, generators) and Transmission & Distribution (T&D) and allied equipment like transformers, cables, transmission lines, etc. The sector contributes about 8% to the manufacturing sector in terms of value, and 1.5% to overall GDP. Incentives for capacity addition in power generation will further increase the demand for electrical machinery.

The Index of Industrial Production (IIP), in absolute terms, is projected to be 141.6 in September 2023 as against 133.8 in September 2022.

The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021 to 2025 at a CAGR of 9%. The domestic electrical equipment market is expected to grow at an annual rate of 12% to reach US\$ 72 billion by 2025. In FY21, India's heavy electrical equipment production stood at Rs. 168,949 crore (US\$ 21.15 billion). Production of generation equipment (boilers, turbines and generators) in India is estimated to be around US\$ 5.7 billion by 2022. The electrical machinery/equipment segment grew nearly 90% with shipments jumping to Rs. 13,606 crore (US\$ 1.6 billion) in April-July 2022 from Rs. 7,202 crore (US\$ 869 million) in the year-ago period.

- The Indian textile machinery industry was expected to touch the US\$ 6 billion mark by 2022. India's textile machinery exports registered a growth of 21.4% to US\$ 762.15 million in the first nine months of 2023.
- The market size of the Plastic machinery sector stood at US\$ 0.5 billion.
- The market size of the process plant equipment sector stood at US\$ 3.7 billion.
- In 2021, the production data of Earthmoving and Mining Machinery stood at US\$ 3.5 billion
- Foundry industry has a turnover of approx. US\$ 19 billion with export approx. US\$ 3.1 billion.
- There are 750–800 domestic Medical Devices manufacturers in India, with an average investment of US\$ 2.3–2.7 million and an average turnover of US\$ 6.2-6.9 million.

- 
- The Indian industrial fasteners market is expected to reach a value of Rs. 460 billion by 2023 expanding at a CAGR of ~9.6% from 2018.
  - India steam boiler systems market size is expected to reach nearly US\$ 22.56 billion by 2027 with the CAGR of 4.63% during the forecast period.
  - The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025.
  - The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25.
  - Indian switchgear market is projected to grow at a CAGR of over 15% through 2023, on account of rising development across residential, commercial and industrial end-use sectors.
  - India's automotive industry is worth more than US\$ 222 billion, contributes 8% of the country's total export, accounts for 7.1% of India's GDP and is set to become the 3rd largest in the world by 2030.
  - Indian auto components industry, which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest globally by 2025. According to the Automotive Component Manufacturers Association of India, the auto-components industry of India is expected to grow by 10-15% in FY24, which would be driven by both domestic and export market demand.
  - The Indian agricultural equipment market reached a value of Rs. 1,023.2 billion (US\$ 12.3 billion) in 2022. India's farm equipment market is likely to grow to US\$ 18 billion by 2025.
  - The Indian machine tools market size reached US\$ 1.4 Billion in 2022 and is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28.
  - The Indian automated material handling (AMH) market was valued at US\$ 1,353.8 million in 2020 and is expected to go up to US\$ 2,739.34 million by 2026 at a CAGR of 12.7%.
  - In FY21, India's heavy electrical equipment production stood at Rs. 168,949 crore (US\$ 21.15 billion). The electrical equipment market is forecasted to grow at 12% CAGR to reach US\$ 72 billion by 2025 from US\$ 48-50 billion in 2021. The electrical equipment export market is forecasted to reach US\$ 13 billion by 2025, from US\$ 8.62 billion in 2021.
  - Indian machine tool production and consumption were estimated at Rs. 6,602 crore (US\$ 879.38 million) and Rs. 12,036 crore (US\$ 1.6 billion), respectively, in FY21, while exports stood at Rs. 531 crore (US\$ 66.48 million).
  - In FY23, the exports of engineering goods from India have been estimated to stand at US\$ 107.04 billion.
  - In FY22, India exported engineering goods worth US\$ 111.63 billion, a 45.51% increase YoY. India exports engineering goods mostly to the US and Europe, which account for over 60% of the total exports.

## Industrial growth drivers



### POLICIES

- **New export policy in Uttar Pradesh:** The policy is aimed at promoting export growth and competitiveness, providing export subsidiaries with the required export-related assistance and services, and creating and improving the technical and physical infrastructure to improve exports from state industries.
- **Voluntary Vehicle-Fleet Modernisation Programme (VVMP):** In August 2021, Prime Minister Mr. Narendra Modi launched the Voluntary Vehicle-Fleet Modernisation Programme (VVMP), also known as the Vehicle Scrapping Policy, during the 'Investors Summit for Setting Up Vehicle Scrapping Infrastructure' Gujarat.



### DEMAND-SIDE DRIVERS

- Capacity addition for power generation
- Increase in infrastructure spending
- Rise in exports, which touched US\$ 107.04 billion in FY23.
- Demand in the engineering industry segment is driven by investments and capacity creation in core sectors like power, infrastructure developments, mining, oil and other sectors like the general manufacturing sector, automotive and process industries, and consumer goods industry.



### INVESTMENT

- With 100% FDI allowed through the automatic route, major international players have entered the Indian engineering sector due to growth opportunities.
- To enhance opportunities for private investment in infrastructure - Infrastructure Finance Secretariat is being established who will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

## Government Initiatives

The Indian engineering sector is of strategic importance to the economy owing to its intense integration with other industry segments. The sector has been de-licensed and enjoys 100% FDI. With the aim to boost the manufacturing sector, the government has relaxed the excise duties on factory gate tax, capital goods, consumer durables and vehicles.

- The Ministry of Heavy Industries (MHI) launched two Production Linked Incentive (PLI) Schemes, namely PLI Scheme for Automobile and Auto Component Industry, and PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage. The PLI Scheme for the automobile and auto components industry has been launched with a total budgetary outlay of Rs. 25,938 crores (US\$ 3.17 billion) for a period of five years (FY23 to FY27). The National Perspective Plan (NPP) for Water Resources Development was formulated by the Government of India in 1980.
- To increase the employability of engineering graduates in the country, AICTE (All India Council of Technical Education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.
- In 2021, the government is pursuing strategic sale in 22 PSU firms of which 17 are ongoing transactions including BPCL, Shipping Corporation of India, Concor and BEML.
- In October 2022, NSIC Signs MoU with Phillips Machine Tools India Pvt. Ltd. for Skill Development Training in Additive Technologies which is the future of manufacturing.
- In June 2022: Ministry of Heavy Industries (MHI) and Ministry of Skill Development and Entrepreneurship (MSDE) sign MoU to facilitate training in engineering trades to boost capital goods sector. In May 2022, MHI signs an MoU with National Research Development Corporation to facilitate various activities for smooth implementation of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector.
- In Budget 2023-24, Ministry of Railways received its highest-ever allocation of Rs. 2.4 lakh crore (US\$ 28.9 billion), approximately nine times the allocation in 2013-14.
- In Budget 2023-24, Ministry of Road Transport and Highways saw a 36% increase in its budget to about Rs. 2.7 lakh crore (US\$ 32.5 billion).



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- The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and with a projected infrastructure investment of around Rs. 111 lakh crore (US\$ 1.3 trillion), during FY20-25 to provide high quality infrastructure across the country. The NIP currently has 8,964 projects with a total investment of more than Rs. 108 lakh crore (US\$ 1.3 trillion) under different stages of implementation. Increase in the construction of National Highways (NHs)/roads over time, with 10,993 km of roads constructed in FY23 as compared to 6,061 km in FY16.
  - India's national highway network grew by nearly 48% from 97,830 km in 2014-15 to 144,634 km at the end of November, 2022. The pace increased from 12.1 km a day in 2014-15 to 28.6 km per day in FY22.
  - Total budgetary support for investment in the sector has been increasing rapidly in the last four years and stood at around Rs. 1.4 lakh crore (US\$ 16.8 billion) during FY23 (as of 31 October 2022).
  - In line with the vision of monetization of public sector assets, National Highways Authority of India (NHAI) launched its InvIT in FY22. NHAI InvIT has raised more than Rs. 10,200 crore (US\$ 1.2 billion) from high quality foreign and Indian institutional investors (up to December 2022).
  - In Budget 2023, customs duty exemption is being provided to import of specified capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles and mobile handsets.
  - The electrical machinery industry has been de-licensed, along with 100% FDI allowed in this sector. This has facilitated the entry of major global players into the electrical machinery industry in India.
  - Under the Union Budget 2023-24, Government has committed an outlay of Rs. 10 lakh crore (US\$ 120 billion) towards infrastructure capital expenditure compared to Rs. 7.5 lakh crore (US\$ 90 billion) (BE) during 2022-23, which is a 33% year-on-year increase.
  - Under Union Budget 2023-24, defence sector has been allocated a budget of Rs. 5.94 lakh crore (\$72 billion).
  - In February 2022, the Prime Minister inaugurated Asia's largest bio-CNG plant set up under the Indore Smart City Project.
  - In November 2022, Engineering Export Promotion Council of India (EEPC) stated that the government's decision to withdraw the 15% export duty imposed on iron ore and steel products would boost engineering goods exports from the country.
  - The All India Council for Technical Education (AICTE) has launched educational books for diploma and undergraduate engineering courses in Marathi language so that students can learn better in their native language.
  - The AICTE has entered into collaborations with the MSME ministry, NHAI and DM offices in 150 districts to facilitate engineering internships for students.
  - In the Union Budget 2022-23, the government has given a massive push to the infrastructure sector by allocating Rs. 199,107 crore (US\$ 26.52 billion) to enhance the transport infrastructure.
  - Prime Minister Mr. Narendra Modi, on the country's 75th Independence Day, announced plans to invest Rs. 100 trillion (US\$ 1.35 trillion) in infrastructure to stimulate economic development and generate employment.
  - In October 2021, the Department of Telecommunications (DoT) approved 31 proposals totalling an investment of US\$ 447 million over the next 4.5 years, as part of the PLI scheme for telecom and networking products manufactured in India.
  - In October 2021, the Ministry of Textiles allowed pilot projects for application of geo-textiles in infrastructure projects.
  - In September 2021, the government announced its PLI scheme of Rs. 10,683 crore (US\$ 1.4 billion) for textiles, specifically aimed at boosting production of man-made fibre (MMF) fabric, MMF apparel and technical textiles.
  - In September 2021, the Indian government announced a PLI scheme for automobiles and auto components worth Rs. 25,938 crore (US\$ 3.49 billion). This scheme is expected to bring investments of Rs. 42,500 crore (US\$ 5.74 billion) by 2026.
  - In August 2021, Prime Minister Mr. Narendra Modi launched the Voluntary Vehicle-Fleet Modernisation Program (VVMP), also known as the Vehicle Scrapping Policy. The policy will bring in investments worth Rs. 10,000 crore (US\$ 1.35 billion) to set up 450-500 Automated Testing Stations (ATS) and 60-70 Registered Vehicle Scrapping Facilities (RVSF) across the country. A single window clearance portal is being developed where applications for ATS and RVSF will be catered through a single portal within 60 days.

- The government is taking several steps to boost domestic defence manufacturing. In line with this, between FY17-22 (until June 2021), the Indian government signed 264 contracts for defence equipment procurement, with 159 contracts for armed forces equipment procurement.
- In April 2021, Under the Development cum Production Partner (DcPP) programme, Defence Research and Development Organisation (DRDO) allowed private sector firms to develop and produce missile systems, such as vertical launched surface and air missile system programmes, to promote the domestic defence industry.
- The Indian telecom equipment market is likely to increase owing to the government's Rs. 12,195 crore (US\$ 1.6 billion) PLI scheme approved for telecom gear manufacturing in February 2021.

Source: <https://www.ibef.org/industry/services>, <https://pib.gov.in>, <https://www.nsgm.gov.in>

**Some other initiatives taken by Government of India in the recent past, which are impacting the business of the Industry relevant to the company are:**

#### **A. National Perspective Plan for Inter-linking of rivers**

- The National Perspective Plan (NPP) comprises of two components, viz; Peninsular Rivers Development Component and Himalayan Rivers Development Component. Salient features of the two components are given at Annexure-I. Under the two components of NPP, a total of 30 link projects have been identified; 14 link projects under Himalayan Rivers Development Component and 16 link projects under Peninsular Rivers Development Component. National Water Development Agency (NWDA) has been entrusted with the work of Interlinking of Rivers under the NPP. Out of 30 identified link projects under the NPP, Pre-Feasibility Reports (PFRs) of all the 30 links have been completed, while Feasibility Reports (FRs) of 24 links and Detailed Project Reports (DPRs) of 8 links have also been completed. The Ken-Betwa Link project (KBLP) is the first link under the NPP for which implementation has been initiated. The Government of India approved the implementation of the project in December, 2021 with an estimated cost of ₹ 44,605 crore (year 2020-21 price level) with a Central Support of ₹ 39,317 crore through a Special Purpose Vehicle, viz; Ken-Betwa Link Project Authority (KBLPA).
- Under the NPP, link projects cover many districts of North India which are in the grip of drought. The KBLP will benefit the Bundelkhand region of Madhya Pradesh (MP) and Uttar Pradesh (UP), which faces recurrent drought situation. The project will provide annual irrigation to an area of 10.62 lakh hectare (8.11 lakh hectare in MP and 2.51 lakh hectare in UP) in the Chhattarpur, Tikamgarh, Panna, Sagar, Damoh and Datia districts of Madhya Pradesh and Banda, Mahoba, Jhansi and Lalitpur districts of Uttar Pradesh in Bundelkhand region as well as to the Vidisha, Shivpuri and Raisen districts of Madhya Pradesh. The project will also provide 194 Million Cubic Metre (MCM) of water for enroute drinking water supply to a population of 62 lakh (41 lakh in MP and 21 lakhs in UP) and generate 130 Megawatt (MW) of power (103 MW of hydro power and 27 MW of solar power).
- Peninsular Rivers Development Component: The scheme is divided into four major parts:
  1. Interlinking of Mahanadi-Godavari-Krishna-Pennar-Cauvery rivers and building storages at potential sites in these basins. This part involves interlinking of the major river systems where surplus from the Mahanadi and the Godavari are intended to be transferred to the needy areas in the south, through Krishna, Pennar and Cauvery rivers.
  2. Interlinking of west flowing rivers, north of Bombay and south of Tapi : The scheme provides for taking water supply canal to the metropolitan areas of Mumbai; it also provides irrigation in the coastal areas in Maharashtra.
  3. Interlinking of Ken-Chambal: The scheme provides for a water grid for Madhya Pradesh, Rajasthan and Uttar Pradesh and interlinking canal backed by as many storages as possible.
  4. Diversion of other west flowing rivers: The high rainfall on the western side of the "Western Ghats" runs down into numerous streams which discharge into the Arabian Sea. The construction of an interlinking canal system backed up by adequate storages could be planned to meet requirements of new areas on the western side as also for transfer of some waters towards east to meet the needs of drought affected areas.
  5. Himalayan Rivers Development Component: The Himalayan Rivers Development Component envisages construction of storages on the principal tributaries of Ganga and the Brahmaputra in India, Nepal and Bhutan along with interlinking canal systems to transfer surplus flows of the eastern tributaries of the Ganga to the West, apart from linking of the main Brahmaputra and its tributaries with the Ganga and Ganga with Mahanadi and further south.

Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1907654>

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## B. Smart meters National Program

- In an endeavour to transform India's power infrastructure and enhance energy efficiency, smart meters national programme aims to replace the existing conventional electricity meters with prepaid smart meters. By being connected through a web-based monitoring system, smart meters enable consumers to optimize their electricity consumption in near real time. EESL (Energy Efficiency Service Limited) with its JV Intelli Smart is currently doing Implementation of Smart Metering Program to significantly improve the billing and collection efficiencies of Distribution Companies (DISCOMs) with approx.1579052 smart meters being installed resulting in a notable annual revenue increase of Rs. 264 Crore through the addition of 11 lakh meters. The Smart Meter National Programme (SMNP) is an initiative launched in 2017 by the government of India to promote the use of smart meters across the country. SMNP aims to replace 25 crore conventional meters with smart meters in India. The smart meters are installed as per guidelines issued by the Central Electricity Authority (CEA). The Central Electricity Authority of India advises the government on policy matters and formulates plans for the development of electricity systems.
- "Analyzing the state-wise distribution of projects for the installation of smart meters:
  - a) Jammu and Kashmir- smart meters sanctioned 21,34,095 and smart meters installed 4,76,073.
  - b) Himachal Pradesh- smart meters sanctioned 29,52,685 and smart meters installed 1,51,740.
  - c) Punjab- smart meters sanctioned 98,30,007 and smart meters installed 6,06,100.
  - d) Haryana- smart meters sanctioned 10,00,000 and smart meters installed 8,41,692.
  - e) Uttar Pradesh- smart meters sanctioned 3,09,78,281 and smart meters installed 11,86,953
  - f) Rajasthan- smart meters sanctioned 1,49,00,527 and smart meters installed 6,14,194
  - g) Gujrat- smart meters sanctioned 1,65,10,860 and smart meters installed 25,099
  - h) Bihar- smart meters sanctioned 1,72,08,939 and smart meters installed 26,29,461
  - i) Madhya Pradesh- smart meters sanctioned 1,34,44,401 and smart meters installed 7,38,266

**Source:** <https://www.nsgm.gov.in/en/state-wise-map>

## C. Jal Jeevan Mission

- With the aim of providing safe and adequate drinking water to all rural households in the country, Prime Minister Narendra Modi launched Jan Jeevan Mission (JJM) in August 2019. The mission aims to provide Functional Household Tap Connections (FHTCs) to every rural household in the country by 2024. At the time of the announcement of the Jal Jeevan Mission, only 3.23 crore (16.65%) rural households had tap water connections. Under the Mission, in a short span of less than four years, more than 8.60 Crore rural households have been provided with tap water connections. Thus, as on April 27, 2023, over 11.84 Crore (60.92%) rural households have a functional tap water supply in their homes. Further, Union Budget 2023-24 has allocated a massive Rs. 70,000 Crore for the implementation of the Jal Jeevan Mission.
- Since August 2019, Government of India, in partnership with States, is implementing Jal Jeevan Mission (JJM) – Har Ghar Jal to make provision of tap water supply to every rural household by 2024. Since launch of JJM, additional 9.42 Crore rural households have been provided tap connections. Thus, as on 26.07.2023, out of 19.42 crore rural households in the country, provision of tap water supply has been made to 12.65 Crore (65%) households. As reported by States on JJM-IMIS. As on 26.07.2023, out of 1,76,363 villages are reported as 'Har Ghar Jal' by implementing departments in States/ UTs, 65,826 villages have been certified by gram sabhas, as 'Har Ghar Jal' villages

**Source:** *RU-56-02-0249-270423/FACTSHEET [Copy and paste this detail in search engine to get the source document issued by Press Information Bureau, Government of India]*

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## BUSINESS OVERVIEW

**The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Prospectus, including the information contained in the section titled “Risk Factors” on Page no. Error! Bookmark not defined. of this Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us”, “H. M. Electro Mech”, “HMEL” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Accounting Standard set forth in the Draft Red Herring Prospectus.**

Our Company was originally established in Year of 2003 as a partnership firm named as ‘M/s H.M. Engineers’ under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as “H. M. Electro Mech Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018.

Prior to the incorporation of our Company, all our Promoters were associated with M/s. H M Engineers, a partnership firm engaged in the business of Electro Mechanical Contract for water supply & waste water treatment and pumping machinery installation works in pump house of Government Turnkey Projects. etc., which was later converted into our Company during the year 2018. Mr Mahendra Ramabhai Patel and Mr Dipak Padmakant Pandya having 20 years of extensive experience along with our management team are responsible for identifying the projects in which the company should participate and make sure that the selected projects are related to our business. Our Promoters are the guiding force behind the success of our company. We believe the stability of our management team and the industry experience brought on by our individual Promoters will enable us to continue to take advantage of future market opportunities and expand into newer markets.

Our company is engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories.

Our company is ISO 9001:2015 certified and approved Electrical contractor in Class ‘A’ (highest category for Electrical Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) and Class ‘AA’ (highest category for EPC Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) with Irrigation division of Government of Gujarat. The Company is an approved electrical contractor with State Government of Rajasthan also under Indira Gandhi Nahar Pariyojana, Bikaner. Our Company is authorized by Government of Gujarat Energy and Petrochemicals Department to carry out Electrical Installation Works in the Gujarat State.

The company has achieved a great reputation in this field within a short span of time with its strong & effective management and intime project execution. We are proud to highlight our accomplishments and ongoing efforts in various projects. Since 2018 we have completed 12 projects having aggregating of Rs. 11629.86 lakhs. Apart from this, currently we are engaged in 30 ongoing projects having aggregating of Rs. 38541.23 lakhs. These projects not only met but exceeding our clients’ expectations, providing a lasting benefit to the community. It underscores our commitment to delivering high quality, impactful projects that meets diverse needs and drive progress.

The key clients of our company include State Governments, Central Government, Municipal corporations, banking sector and educational institutes etc. We have a locational advantage in the state of Gujarat where our registered office is situated with nearly 80% of our total revenue. We have strategically expanded our presence and network to different parts of the country, taking on projects in various regions, including Rajasthan, Maharashtra, Madhya Pradesh, Karnataka, Punjab and Chandigarh etc. This expansion reflects our commitment to delivering our expertise and a service to clients nationwide. We primarily secure contracts through a competitive tender bidding process. Our pricing strategy is carefully tailored to each project's unique requirements, taking into account factors such as engineering skills required for the project, construction type, estimated project duration, and the specific raw materials, equipment, and skilled manpower needed for successful project execution. We offer flexible payment terms to our clients other than Government, usually extending our services on credit. While we maintain a meticulous record of receivables from our customers, the settlements are typically made on a periodic basis. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans. The company with its team handles all possible aspects of the projects and caters to all sorts of varying designs, safety protocols and user-friendly approach.

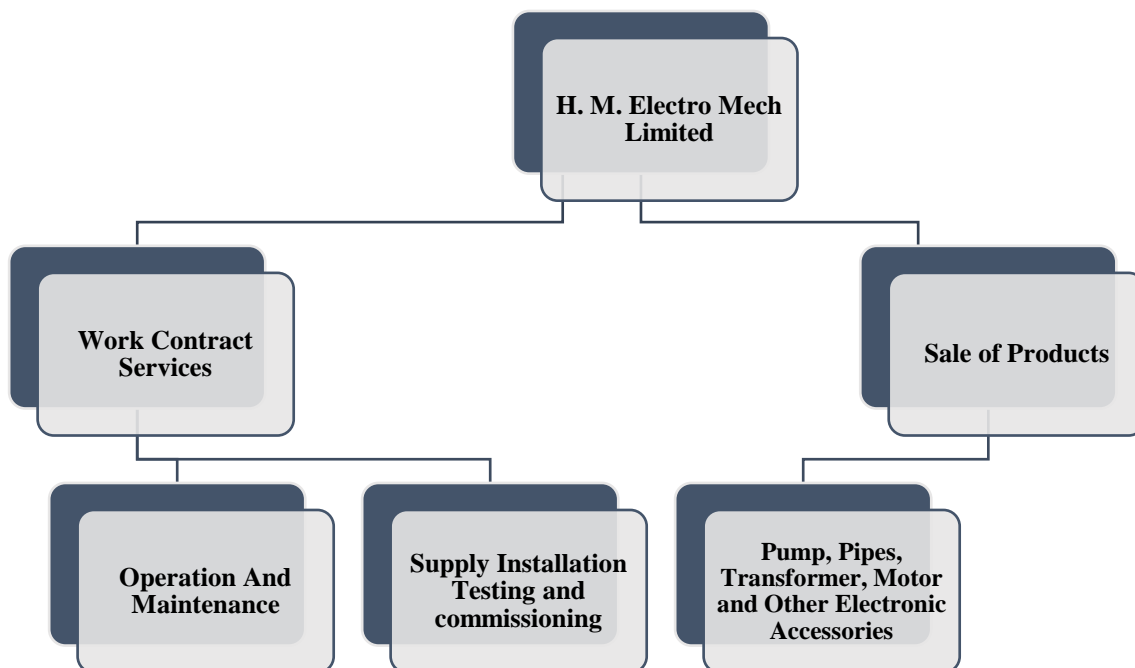
A bird eye view of the addition of diversified field projects undertaken by our company in the recent past includes-

1. Construction of Water Treatment Plant (WTP) which converts raw water of canal or river into potable drinking water under “Nal se Jal” scheme of Government of India.
2. Construction of Pump House, RCC Sump, Laying of Pipe Line and Supplying drinking water up to village level under “Nal se Jal” scheme of Government of India.
3. Laying of different size of MS/DI/UPVC Pipe Line under Different department of State of Gujarat.
4. Design, Supply, Installation, Testing and Commissioning of all Electro Mechanical items related to 200 MLD (Million Litre Per day) WTP.
5. ‘Quick Watering System’ installed at different railway platform of Indian Railways to enable to train shorten time between two stations.
6. Electrification of Cover Shed and Power Supply arrangement for train set at ICD Sabarmati, Ahmedabad.
7. ‘Smart Metering of Railway Colony for measuring electricity unit (KWH).
8. Working as sub-contractor to bigger EPC contractors

The Vision of the Company is to stride towards becoming a prominent player in Engineering and Construction Industry. We are focused on our vision and are working with a strategy to tap the huge growth potential in the Infrastructure Sector, in India both independently and through collaborations. To achieve this, we are committed to complete customer satisfaction by creating a value-driven ethical & professional working environment with well-defined objectives. These goals would be embracing the principles of engineering excellence, fostering innovation, leadership development, employee engagement and encouraging collaborations at all levels.

#### OUR BUSINESS MODEL

We derive our revenue from 2 (Two) major business verticals:



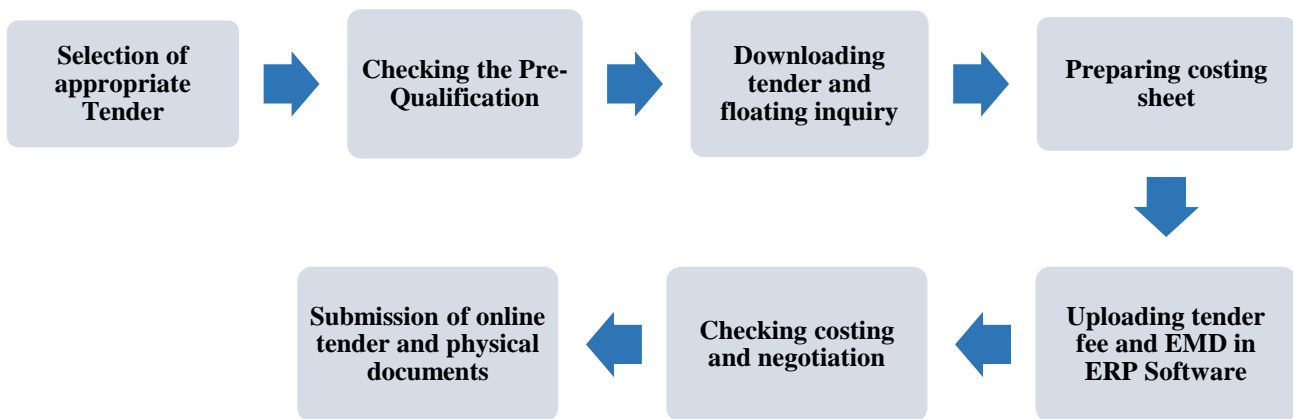
#### FINANCIAL KPIs OF THE COMPANY:

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	7,526.67	10,148.70	6,184.32	4,696.89
Growth in Revenue from Operations (YoY %)	-	64.10%	31.67%	-
Gross Profit (₹ in Lakhs)	1,235.84	1,461.98	914.61	753.56
Gross Profit Margin (%)	16.42%	14.41%	14.79%	16.04%

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
EBITDA (₹ in Lakhs)	801.67	890.76	349.45	259.37
EBITDA Margin (%)	10.65%	8.78%	5.65%	5.52%
Profit After Tax (₹ in Lakhs)	528.27	601.15	258.00	201.59
PAT Margin (%)	7.02%	5.92%	4.17%	4.29%
RoE (%)	19.77%	28.52%	15.38%	13.92%
RoCE (%)	21.40%	36.17%	19.35%	15.34%
Net Fixed Asset Turnover (In Times)	216.95	259.48	161.68	128.02
Operating Cash Flows (₹ in Lakhs)	(482.65)	(414.21)	503.87	(47.95)

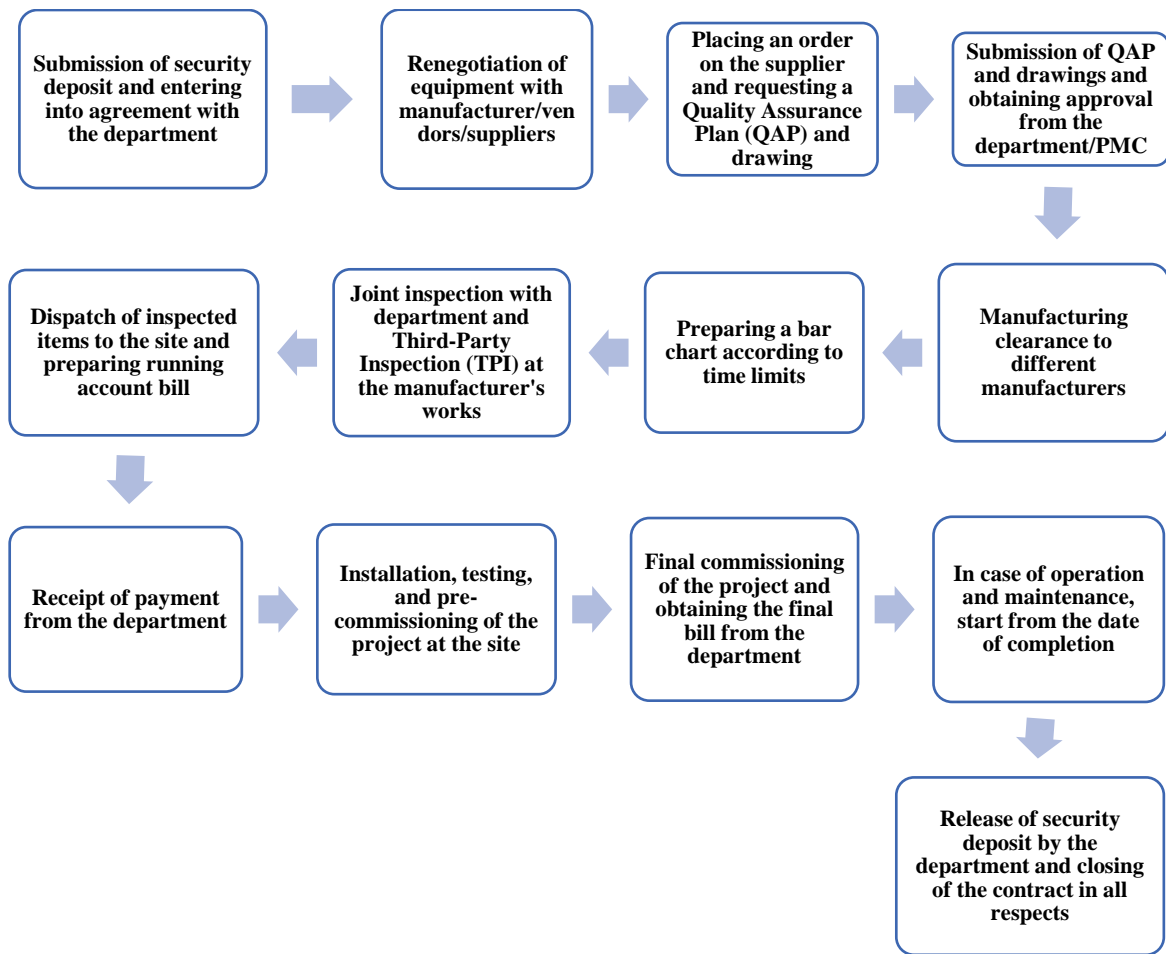
## BUSINESS PROCESS

### A. PRE-TENDER ACTIVITY



- Selection of appropriate tender:** This involves identifying relevant tenders from the respective websites and assessing if the project matches the company's capabilities and requirements.
- Checking prequalification:** Ensuring that the company meets the criteria set forth in the tender documents to participate in the bidding process. This may involve verifying financial stability, technical expertise, past experience, etc.
- Downloading tender and floating inquiry:** Downloading the tender documents from the website and initiating inquiries with approved suppliers or manufacturers of capital equipment to gather technical specifications and quotations.
- Preparing costing sheet:** Creating a costing sheet according to the tender schedule, which includes estimating all the costs associated with the project such as material costs, labour costs, overheads, profit, etc.
- Uploading tender fee and EMD in ERP Software:** Uploading the tender fee (if applicable) and Earnest Money Deposit (EMD) requirement along with the necessary documentation and entering into the company's Enterprise Resource Planning (ERP) software for tracking and compliance purposes.
- Checking costing and negotiation:** Reviewing the costing sheet, negotiating with suppliers or vendors to obtain better prices or terms, and finalizing the rates for tender submission.
- Submission of online tender and physical documents:** Completing the online submission process for the tender documents as per the specified requirements and physically submitting the tender fee and EMD (if required) to the relevant department within the stipulated timeframe.

### B. POST-WORK ORDER ACTIVITY



1. **Submission of security deposit and entering into agreement with the department:** This involves submitting the required security deposit and signing a formal agreement with the department or relevant authority.
2. **Renegotiation of equipment with manufacturer/vendors/suppliers:** If necessary, renegotiate terms with equipment manufacturers, vendors, or suppliers to ensure alignment with project requirements.
3. **Placing an order on the supplier and requesting a Quality Assurance Plan (QAP) and drawing:** After negotiations, place orders with selected suppliers and request a Quality Assurance Plan (QAP) along with drawings for approval.
4. **Submission of QAP and drawings and obtaining approval from the department/PMC:** Submit the Quality Assurance Plan and drawings to the department or Project Management Consultant (PMC) for approval.
5. **Manufacturing clearance to different manufacturers:** Once approvals are obtained, provide manufacturing clearance to the respective manufacturers to proceed with production.
6. **Preparing a bar chart according to time limits:** Develop a detailed timeline or bar chart outlining the project milestones and deadlines to complete the project on or before.
7. **Joint inspection with department and Third-Party Inspection (TPI) at the manufacturer's works:** Conduct joint inspections with the department and Third-Party Inspection (TPI) at the manufacturer's facility to ensure compliance with specifications and quality standards.
8. **Dispatch of inspected items to the site and preparing running account bill:** Dispatch inspected items to the project site and keep track of expenses and progress through a running account bill as per tender terms.
9. **Receipt of payment from the department:** Receive payment from the department based on milestones achieved or as per the agreed payment terms.
10. **Installation, testing, and pre-commissioning of the project at the site:** Carry out installation, testing, and pre-commissioning activities of the project at the designated site.

11. **Final commissioning of the project and obtaining the final bill from the department:** Complete the final commissioning of the project and request the final bill and payment from the department along with the work completion certificate.
12. **In case of operation and maintenance, start from the date of completion:** If applicable, initiate operation and maintenance activities from the date of project completion.
13. **Release of security deposit by the department and closing of the contract in all respects:** Upon successful completion of all activities and obligations, the department releases the security deposit, and the contract is closed.

These steps are crucial for ensuring that the company effectively participates in the tendering process and submits competitive bids for procurement of projects.

#### REVENUE BIFURCATION:

##### Category Wise Revenue Bifurcation

The revenue bifurcation of our company for the period ended on last three years as per restated financial Statement are as follows: -

(₹ in Lakhs)

Particulars	For the period Ended December 31, 2023		For Financial Year Ended March 31					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Revenue From Contracts with Customers</b>								
<b>Work Contract Services</b>	<b>4,991.21</b>	<b>66.31</b>	<b>9,325.96</b>	<b>91.89</b>	<b>5,566.63</b>	<b>90.01</b>	<b>4,221.28</b>	<b>89.87</b>
Operation And Maintenance	313.43	4.16	347.99	3.43	415.39	6.72	373.50	7.95
Supply Installation Testing and commissioning	4,677.78	62.15	8,977.97	88.46	5,151.24	83.30	3,847.78	81.92
<b>Sale of Products (Point I)</b>	<b>2,535.47</b>	<b>33.69</b>	<b>822.74</b>	<b>8.11</b>	<b>617.69</b>	<b>9.99</b>	<b>475.61</b>	<b>10.13</b>
<b>Total</b>	<b>7,526.67</b>	<b>100.00</b>	<b>10,148.70</b>	<b>100.00</b>	<b>6,184.32</b>	<b>100.00</b>	<b>4,696.89</b>	<b>100.00</b>

##### Point I: Product wise Revenue Bifurcation

(₹ in Lakhs)

Particulars	For the period Ended December 31, 2023		For the Year ended March 31					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Pumpset	196.92	7.77	530.34	64.46	425.00	68.80	356.92	75.04
Crane	-	0.00	-	0.00	-	0.00	29.33	6.17
Instrumentation material	-	0.00	-	0.00	-	0.00	69.07	14.52
Old Used Material	-	0.00	101.02	12.28	22.00	3.56	-	0.00
Pipe	1,774.12	69.97	79.50	9.66	157.69	25.53	-	0.00
DG Set and its panel	129.47	5.11	85.71	10.42	-	0.00	-	0.00
Cable, Transformer	-	0.00	18.28	2.22	-	0.00	-	0.00
Panel	106.31	4.19	-	0.00	-	0.00	-	0.00
Motor	130.50	5.15	-	0.00	-	0.00	-	0.00
Transformer	166.14	6.55	-	0.00	-	0.00	-	0.00
Other	32.01	1.26	7.89	0.96	13.00	2.10	20.30	4.27
<b>Total</b>	<b>2,535.47</b>	<b>100.00</b>	<b>822.74</b>	<b>100.00</b>	<b>617.69</b>	<b>100.00</b>	<b>475.61</b>	<b>100.00</b>



## State Wise Revenue Bifurcation

(₹ in Lakhs)

Particulars	For the period Ended December 31, 2023		For Financial Year Ended March 31					
			2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Gujarat	5,990.91	79.60	7,963.89	78.47	4,689.35	75.83	3,987.48	84.90
Rajasthan	1,394.85	18.53	1,427.20	14.06	422.68	6.83	337.46	7.18
Madhya Pradesh	-	0.00	423.94	4.18	436.00	7.05	1.71	0.04
Chandigarh	13.96	0.19	-	0.00	50.74	0.82	263.73	5.61
Karnataka	-	0.00	-	0.00	-	0.00	5.16	0.11
Maharashtra	126.95	1.69	282.83	2.79	585.55	9.47	101.36	2.16
Punjab	-	0.00	50.85	0.50	-	0.00	-	0.00
<b>Total</b>	<b>7,526.67</b>	<b>100.00</b>	<b>10,148.70</b>	<b>100.00</b>	<b>6,184.32</b>	<b>100.00</b>	<b>4,696.89</b>	<b>100.00</b>

## OUR COMPETITIVE STRENGTH

- Comprehensive Solutions:** Our single-window approach streamlines the entire project lifecycle, from conception to ongoing maintenance. This highlights our company's ability to provide end-to-end solutions for projects, starting from conceptualization all the way through to maintenance. By offering a single point of contact for clients, we streamline the entire process, by reducing complexities and ensuring a smoother experience from start to finish.
- Strategic Partnerships:** We maintain robust relationships with leading manufacturers and OEMs, facilitating competitive pricing and expedited delivery. Maintaining strong relationships with leading manufacturers and Original Equipment Manufacturers (OEMs) is crucial for several reasons. Firstly, it allows access to competitive pricing, which is advantageous for both our company and our clients. Secondly, expedited delivery through these partnerships helps to meet tight project timelines, giving our company a competitive edge in the market.
- Prompt Decision-Making:** Our agile decision-making process ensures swift project progression and responsiveness to client needs. Agility in decision-making is a valuable trait in today's fast-paced business environment. By having a streamlined decision-making process, our company can quickly adapt to changes, seize opportunities, and address client needs promptly. This agility can significantly impact project progression, client satisfaction, and overall business success.
- Emergency Response Expertise:** Equipped to handle emergency situations our team swiftly mobilizes technical and supply resources for rapid resolution. Being prepared to handle emergency situations demonstrates our company's reliability and capability to address unforeseen challenges. Whether it's natural disasters like floods or earthquakes, or resource scarcity issues, having a team that can swiftly mobilize technical and supply resources for rapid resolution instills confidence in clients and stakeholders.
- Experienced Promoters and management team:** Our Promoter Directors, Mahendra Ramabhai Patel and Dipak Padmakant Pandya have more than 20 years in the business of electro-mechanical projects. Before the incorporation of our Company, our Promoters were associated with M/s. H M Engineers, a partnership firm engaged in the business of water supply & waste water treatment and pumping machinery installation works in the pump house of Government Turnkey Projects which was later converted into public limited Company during the year 2018. The industry experience of our Promoters has been instrumental in the consistent growth of our group. Our Promoters along with our management team are responsible for identifying the projects in which the company should participate. Our Promoters are the guiding force behind the success of our company. Our management and employee team combined with the experience of our Promoters have outlined the plans and led to the development of our Company. For further details regarding the experience and qualifications of our management team please see **"Our Management"** beginning on page 142 of this Draft Red Herring Prospectus.
- Robust Order Book:** As on December 31, 2023, we are having 30 projects including O&M projects aggregating of Rs. 38541.23 lakhs. We believe that consistent growth in our Order Book has materialized due to our continued focus on Projects and our ability to successfully bid and win new Projects. We believe that our experience in designing, engineering, construction, operations and maintenance of Projects, technical capabilities, timely performance, reputation for quality and timely delivery, financial strength as well as the price competitiveness has enabled us to successfully bid and win projects. Our capabilities as an established player allows us to focus on Projects with EPC

and O&M components. Post the commissioning of the project, O&M provide steady cash flows and add significantly to our Company's margins.

- 7. Stability and Continuity:** A high retention ratio indicates that employees are satisfied and committed to staying with the company. Employee retention is often indicative of a positive work environment and organizational culture. A high retention ratio not only signals that employees are satisfied but also ensures continuity in operations. This stability minimizes disruptions caused by turnover, allowing your company to maintain consistency in delivering services and building client relationships over time.

## **BUSINESS STRATEGIES**

### **1. Continue to enhance our project execution capabilities**

We intend to continue our focus in enhancing project execution capabilities so as to derive twin benefits of client satisfaction and improvements in operating margins. We will constantly endeavour to leverage our operating skills through our equipment and project management tools to increase productivity and maximize asset utilization in our ongoing projects. We believe that we have developed a reputation for undertaking challenging projects and completing such projects in a timely manner. We intend to continue our focus on performance and project execution ability in order to maximize our operating margins. To facilitate efficient and cost-effective decision making, we intend to continue to strengthen our internal systems. Our ability to effectively manage projects will be crucial to our continued success.

### **2. Leveraging our market skills and relationship**

The business of our Company is customer oriented and always strives to maintain good relationship with the marketers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our employees give importance to customers. We aim to do this by leveraging our operations expertise as well as marketing skills and our industry relationships.

### **3. Maintaining edge over competitors**

We intend to continue to enhance and scale our existing executional capabilities to deliver best quality construction to our clients. By enhancing our executional capabilities, we intend to maintain edge over our competitors. In order to maintain our competitive edge, we will continue to add best construction equipment, skilled labours and good quality materials.

### **4. Expand our geographical footprint**

We intend to expand our geographical footprint and grow our business by increasing orders from outside of Gujarat. To control diversification risks, we may at first, limit our expansion to other states to undertaking projects first in the areas where our core competencies lie. Through an increasingly diversified portfolio, we hope to broaden our revenue base and also hedge against risks in specific areas or projects and protect ourselves from fluctuations resulting from business concentration in limited geographical areas. With our increased experience and success, however, our rate of expansion may increase in terms of increases in the number of new states and projects we undertake. Till now substantial portion of our revenue from operations is from State of Gujarat. We believe that geographical diversification of our projects will reduce our reliance on our home state of Gujarat and allow us to capitalise on different growth trends in different states across the country. Further, we believe that as the reputed customers that comprise our existing client base continue to expand their geographical reach, our long-standing relationships will provide us with opportunities to undertake projects for such customers pan India.

### **Milestones and achievements:**

<b>Period</b>	<b>Particulars</b>
2003-2010	Formation of our initial partnership firm namely M/s H M Engineers and initiation of participation in Government projects through tenders from State Government of Gujarat for Water Supply and Waste Water treatment
2016-17	Got dealership from M/s WILLO Mather and Platt Pumps Pvt Ltd for water products and for After sales services (An Indian subsidiary of more than 150 years old German Pump manufacturer company having three plants in India)
2017-18	<ul style="list-style-type: none"> <li>- Name of our Firm was changed from M/s H M Engineers to M/s H M Electro Mech</li> <li>- Addition of 4 new partners in the firm</li> <li>- Awarded with the title of best water product dealer, 2017 by Wilo Mather and Platt Pumps Private Limited.</li> </ul>
2018	Conversion of our partnership firm to public limited company with the name H M Electro Mech Limited

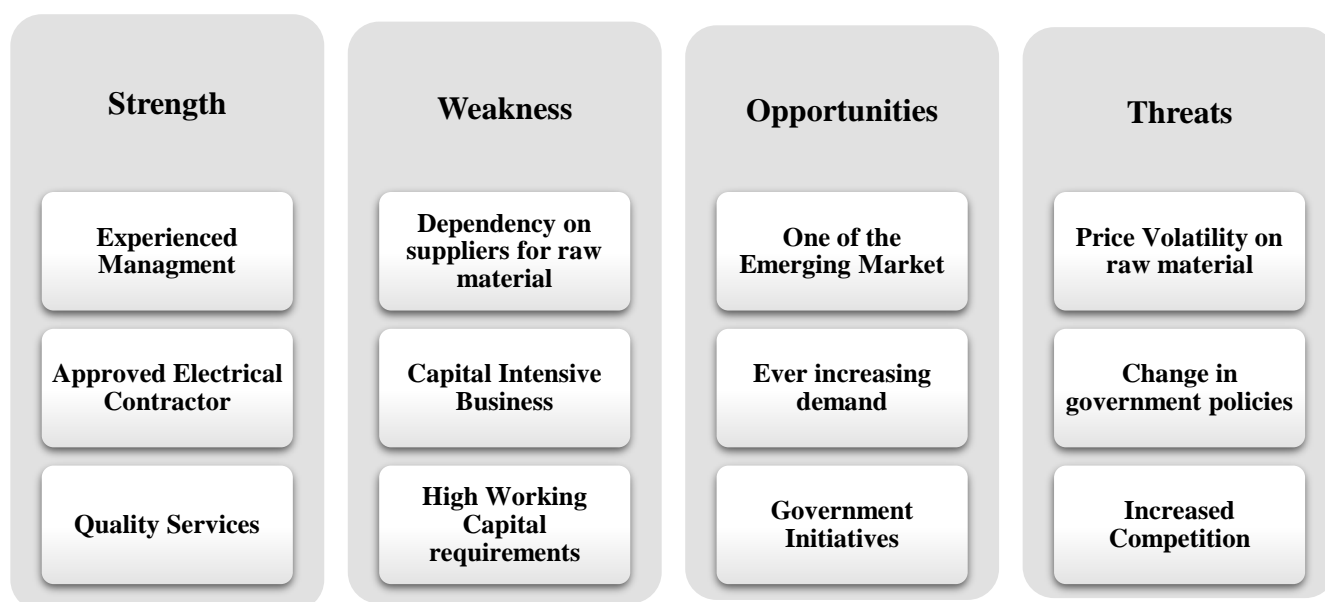
2018-19	Successfully completed high-value project at GIDC Bharuch valuing Rs 15.55 Crores
2019	In 2019, our company was proudly recognized as the Best Dealer in Water Management for the West Region by Wilo Mather and Platt Pumps Private Limited.
2019-20	Successfully completed another high value project at Anjar, GWIL of Rs 14.54 Crores
2021	Awarded with the title of best dealer water management, 2021 by Wilo Mather and Platt Pumps Private Limited
2021-22	<ul style="list-style-type: none"> <li>- Our company reached a significant milestone, attaining revenue from operations of more than Rs 60 crores</li> <li>- Successfully completed high-value project at Anjar, GWIL (Project IV) of Rs 10.27 crores</li> </ul>
2022-23	Achieved another milestone of crossing the turnover of Rs 101 crores
2023-24	Awarded All India Best dealer for Water Management Segment – 2023 by Wilo Mather and Platt Pumps Private Limited
2024-25	<ul style="list-style-type: none"> <li>- Secured highest ever value of single order of Rs 40.30 crores</li> <li>- Secured another high value joint venture project of Rs 71.67 Crores in which the share of our company is 60%.</li> </ul>

### Business Performance:

Continuously profitable since our inception in 2018, we have sustained steady growth year after year. This growth is reflected in the following snapshot of our financial figures for last 3 years:

Particulars	For the Period Ended on December 31, 2023	For the Year Ended on		
		31-Mar-23	31-Mar-22	31-Mar-21
Net worth	2,936.30	2,408.03	1,806.88	1,548.89
Profit before tax (PBT)	<b>710.10</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
Profit after tax (PAT)	<b>528.27</b>	<b>601.15</b>	<b>258.00</b>	<b>201.59</b>
Earnings per share (EPS)	5.28	6.01	2.58	2.02
Net asset value (NAV)	29.36	24.08	18.07	15.49

### SWOT ANALYSIS



### HUMAN RESOURCES

Our workforce plays a crucial role in maintaining quality and safety standards, as well as ensuring timely project completion. We carefully recruit skilled and competent employees based on project requirements and adhere to a selective approach. To enhance their expertise, we provide comprehensive training programs and instructional courses that focus on job-related skills. Our policies also prioritize the integration of new employees through well-structured induction programs. By nurturing the development of our workforce, we aim to sustain a motivated and proficient team capable of consistently delivering high-quality work. Our commitment to their well-being and professional growth enables us to uphold stringent

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safety protocols and consistently meet project requirements. As of May 31, 2024, our Company had 26 permanent employees on the payroll of the company and 28 working on contractual basis.

The following table illustrates the department wise numbers of our employees as May 31, 2024.

<b>Department</b>	<b>Number of Employees</b>
Management	4
Admin and Accounts	12
Project (including Contractual Employees)	38
<b>Total</b>	<b>54</b>

## **TECHNOLOGY**

We use information technology systems to enhance our performance and efficiency. We use third party software as Tally Prime Accounting Software for Accounting Record Keeping. We believe that this system allows us to streamline our processes while enhancing our monitoring and control functions.

## **END USERS**

We are working as Electro Mechanical Contractor for water supply & waste water treatment and pumping machinery installation works in pump house of Government Turnkey Projects.

## **MARKETING & DISTRIBUTION**

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our channels that are associated with our Company. Our Management through their experience and good rapport with distributors owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company.

We adopt client-wise, location-wise and geography-wise approach for marketing our services. Our marketing team lead by our promoters works to maintaining the existing clients and acquiring new clients for our services.

## **HEALTH, SAFETY & ENVIRONMENT**

The health and safety of our employees is very important to us. We have established various measures in order to eliminate and reduce the risk of workplace accidents at our facilities and properties. Our operations are subject to various environmental, health and safety laws and regulations in each of the jurisdictions in which we operate.

The requirements govern, among other things, employee health and safety, energy conservation, waste disposal and air emissions. We incur expenditures to maintain compliance with current and future environmental, health and safety laws and regulations, including obtaining appropriate operating permits, licenses and approvals that are necessary for our business operations. We believe that our operations are currently in material compliance with all environmental, health and safety laws, regulations and permits which we are subject to. We monitor and assess compliance issues in connection with our operations. and undertake other safety orientation training to create awareness and promote a safe working environment.

## **COMPETITION**

We face competition from various domestic and international players. We have over 2 (two) decades of experience in Electro Mechanical Engineering segment and we believe that our Company will not only maintain but further enhance its position in the industry. We believe that our ability to compete effectively is primarily dependent on ensuring consistent quality service with on time delivery at competitive prices. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price.

## **EXISTING CAPACITY AND CAPACITY UTILISATION**

Our capacity depends on our workforce and not in any fixed output from plant & machinery and hence capacity and capacity utilisation cannot be determined.



## **UTILITIES AND INFRASTRUCTURE**

### **a) Material –**

Timely supply of materials is one of the most crucial elements of project being completed timely. The material requirement of our company depends on the design, customer specification and work required at the site.

However, the major materials used by our company includes Pumps, Motors, Valves, Crane, Flowmeters, Pipes, transformers, HT Switch Yard, Cables, HT VCB, FCMA Starter, Battery Charger, UPS, PLC-SCADA etc. All of our purchases are governed from the head office of the company through direct contact with approved manufacturers/vendors which directly deliver the ordered materials to the project sites. This ensures timely supply of required materials as per specifications and as per site conditions. Sundry items are procured locally from near the project sites to save time and transportation cost.

Key Machines and parts being used by us as Materials for execution of SITC projects undertaken by our company are as under:

Item	Description
 <p data-bbox="156 846 284 875">EOT Crane</p>	<p data-bbox="805 517 1437 792">Electric Overhead Traveling (EOT) Cranes are one of the most commonly used types of overhead cranes and play a crucial role in various industrial applications. EOT cranes have parallel runways, and a traveling bridge crosses the gap. The hoist is mounted over the traveling bridge. These cranes are operated electrically with a control pendant station or an operator’s cabin attached to the crane. In addition to horizontal movement, EOT cranes can also lower or raise heavy loads.</p>
 <p data-bbox="156 1279 338 1308">Pump Motor Set</p>	<p data-bbox="805 887 1437 1279">There are generally two types of pumps used for potable water pumping applications: the vertical turbine pump, line shaft and submersible types, and the centrifugal horizontal or vertical split case pump designed for water-works service. If the pump station and intake structure are to be located within a surface or underground reservoir, vertical turbine pumps with the column extending down into the reservoir or its suction well will be a logical choice. If the pump station is located at an above ground storage facility, split case centrifugal pumps will be the preferred selection. These pumps are normally horizontal but vertical split case pumps are common where there is limited space</p>
 <p data-bbox="156 1697 220 1727">Valve</p>	<p data-bbox="805 1317 1437 1406">Valves are used for regulating the flow and pressure within a piping system and for improving safety through relieving pressure or vacuum in a piping system</p>



Flow Meter

Pump station water is metered for several reasons: to calculate distribution system losses by subtracting the total of meter readings from total supply, to monitoring pump efficiency, and to determine gross billings for water supplied



LT Panel

Low Tension Panel is an electrical distribution board that receives power from generator or transformer and distributes the same to various electronic devices and distribution boards



HT PANEL

HT Panels is a high-powered unit that is specially designed for power distribution centers to control large currents and voltages to ensure higher safety within the power lines. It is designed and developed as per electrical engineering standards that make it highly efficient as well as robust in construction.



PLC Panel

**Programmable Logic Controllers (PLCs)** are small industrial computers with modular components designed to automate customized control processes. PLCs are often used in factories and industrial plants to control motors, pumps, lights, fans, circuit breakers and other machinery. Integrated **PLC Panel** can monitor any process and provide data wherever and however you need it.





Transformers

Without power transformer, the pumping station cannot just use the high voltage from electric wires directly; Meanwhile, the low voltage electric power cannot transfer to us directly by the power transformation system. Therefore, the transformers are used to control the flow of power as per the requirement of input and output devices of the pumping station



UPS with battery charger

The latest UPS technology guards against the malfunctions in a pumping system or in pipelines caused due to sudden power outage or severe power quality deterioration, ensuring that the servers send the proper shutdown communications prior to and after a power loss. The newest software built into UPS systems more accurately monitors remaining battery life and controls server shutdown protocols based on real information of true battery life. It can provide the information needed to prevent system errors that cause the servers to lose power before commencing a shutdown of the pump systems.

**b) Power –**

Our Company requires power for the normal requirement of the Office for lighting, computers etc. Adequate power is available which is met through the electric supply by the Discom. Further, the power requirements at the project sites are arranged by us through Diesel generating sets or through temporary connection from Discom.

**c) Water –**

Water required at the Project site are arranged by the customers and water requirement at the office and other purposes is fully met at the existing premises by internal supply.

**d) Manpower –**

We believe that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on May 31, 2024, we have 54 employees (including Contractual Employees) which includes 5 engineers on our payroll. For construction, we employ casual labour, which saves us the hassle of day-to-day dealing and helps us to get readily available work force as per our requirement. We hire casual labour depending on various factors like the location, size, duration, etc. and these are locally procured at the location site.

## COLLABORATIONS/ CONSORTIUMS/ JOINT VENTURES

Except as disclosed below as on the date of this Draft Red Herring Prospectus our company has not entered into any Collaborations/ Consortiums/ Associates/agreements/ Joint ventures other than those entered into the ordinary course of business. Following Joint venture agreements have been entered into by the company with other parties in similar line of business for the purpose of qualifying the Pre-qualification bids from various government departments and for carrying out such projects in collaboration with the respective JV Partners:

S. No	Work order ID	Tendering authority/ Employer	Details of parties to the JV and ratio of share in JV	Scope of work	Details of JV Agreement
1.	ZONE-2/PB/AHMEDABAD/ AUG. OF A-2 RWSS TELAV GROUP PKG-1/T.ID-10132/197/2024 & Dtd 01/02/2024	Gujarat Water Supply & Sewerage Board	H.M. Electro Mech Limited Ahmedabad [60% share] and V L Infra Projects Limited [40% share] with name HMEL-VL JV	For details of scope of work of this project, Refer Project at Sl No. 21 of the Table about 'Ongoing projects of the Company'	The parties have entered into a JV Agreement dated November 01, 2023 for submitting the pre-qualification application and if successful for undertaking the works under the Tender of the given work id as an integrated JV. HMEL shall be the leading party with 60% stake in the JV project. However, both the parties shall remain jointly and severally liable to the Employer for the acts, deeds and things done or omitted to be done in respect of execution of the contract and for any financial liability arising therefrom. This joint venture agreement does not constitute a permanent partnership between the two companies.
2.	1767 Dtd 23-05-22 Tender ID 492563	Gujarat Water Supply & Sewerage Board	H.M. Electro Mech Limited Ahmedabad [80% share] and V L Infra Projects Pvt Limited [20% share] with name HMEL-VLIL JV	For details of scope of work of this project, Refer Project at Sl No. 07 of the Table about 'Ongoing projects of the Company'	The parties have entered into a JV Agreement dated December 20, 2021 for submitting the pre-qualification application and if successful for undertaking the works under the Tender of the given work id as an integrated JV. HMEL shall be the leading party with 80% stake in the JV project. However, both the parties shall remain jointly and severally liable to the Employer for the acts, deeds and things done or omitted to be done in respect of execution of the contract and for any financial liability arising therefrom. This joint venture agreement does not constitute a permanent partnership between the two companies.



S. No	Work order ID	Tendering authority/ Employer	Details of parties to the JV and ratio of share in JV	Scope of work	Details of JV Agreement
3.	G-2RWSS/Jalundra Group T.ID:- 558398/ 295 dtd 10-02-2023	Gujarat Water Supply & Sewerage Board	V L Infra Projects Pvt Limited [60% share] and H.M. Electromech Limited Ahmedabad [40% share] with name VLIL-HMEL JV	For details of scope of work of this project, Refer Project at Sl No. 18 of the Table about 'Ongoing projects of the Company'	The parties have entered into a JV Agreement dated November 10, 2022 for submitting the pre-qualification application and if successful for undertaking the works under the Tender of the given work id as an integrated JV. VLIL shall be the leading party with 60% stake in the JV project. However, both the parties shall remain jointly and severally liable to the Employer for the acts, deeds and things done or omitted to be done in respect of execution of the contract and for any financial liability arising therefrom. This joint venture agreement does not constitute a permanent partnership between the two companies.
4.	GWIL/Anjar/Kutch Augment/Package-4/ Work Order/1361/2019 Dtd 13/06/2019	Gujarat Water Infrastructure Limited	H.M. Electromech Limited Ahmedabad [85% share] and Laxmi Civil Engineering Services P Ltd [15%]	For details of scope of work of this project, Refer Project at Sl No. 23 of the Table about 'Ongoing projects of the Company'	The parties have entered into a JV Agreement dated November 15, 2018 for submitting the pre-qualification application and if successful for undertaking the works under the Tender of the given work id as an integrated JV. HMEL shall be the leading party with 85% stake in the JV project. However, both the parties shall remain jointly and severally liable to the Employer for the acts, deeds and things done or omitted to be done in respect of execution of the contract and for any financial liability arising therefrom. This joint venture agreement does not constitute a permanent partnership between the two companies.
5.	GWIL/Kutch augmentationwork/P.M./Replacementwork/2018/LOI/ Tender Id Number - 330101/1891 DTD 22/11/2018	Gujarat Water Infrastructure Limited	H.M. Electromech Limited Ahmedabad [85% share] and Laxmi Civil Engineering Services P Ltd [15%]	For details of scope of work of this project, Refer Project at Sl No. 24 of the Table about 'Ongoing projects of the Company'	The parties have entered into a JV Agreement dated November 15, 2018 for submitting the pre-qualification application and if successful for undertaking the works under the Tender of the given work id as an integrated JV. HMEL shall be the leading party with 85% stake in the JV project. However, both the parties shall remain

S. No	Work order ID	Tendering authority/ Employer	Details of parties to the JV and ratio of share in JV	Scope of work	Details of JV Agreement
					jointly and severally liable to the Employer for the acts, deeds and things done or omitted to be done in respect of execution of the contract and for any financial liability arising therefrom. This joint venture agreement does not constitute a permanent partnership between the two companies.

### EXPORTS & EXPORT OBLIGATION

As on the date of this Draft Red Herring Prospectus, entire revenue from operations is generated from Domestic means only. Further, as on the date of this Draft Red Herring Prospectus, we do not have exports obligations, under the terms of Export Promotion Capital Goods (EPCG) Scheme.

### MAJOR COMPLETED PROJECTS

Following are list of major completed projects of the company [including the projects in which SITC work has been completed but Operations and Maintenance part is ongoing]

Sr. No.	Client Name	Nature of Work	Work Order No.	Value of Project	Date of Completion
1	GWIL	Bid Documents for Design, Build & Operate Contract for Replacement of pumping machinery work at Anjar and Varsamedi, under Kutch Augmentation TALUKA: Anjar, DIST.: Kutch (Package – 3) including 5 years O & M. [SITC work completed- O&M ongoing]	GWIL/Anjar/Kutch Augment/Package-3/Work Order/3209/2018 dtd 04/12/2018	1454.10	15-10-2019
2	GWIL	Bid Documents for Design, Build & Operate Contract for Proposed pumping machinery work at Anjar, construction of sump (100 LL capacity) and pump house (15m x 36m) under Kutch Augmentation TALUKA: Anjar, DIST.: Kutch (Package – 4) including 5 years O & M. [SITC work completed- O&M ongoing]	GWIL/Anjar/Kutch Aug/Pkg-4/WO/1361/2019 dtd 13/06/2019	1027.61	13-08-2021
3	GWIL	Supply, Installation, Testing And Commissioning Of Pump Sets With Accessories And Allied Electro-Mechanical Equipment Including Rec Sump, Pump House, Electrical Room With Post Completion Comprehensive Operation And Maintenance For 5 Years at Navda Ta. Barwala, District: Botad	GWIL/Navda/Work Order/07/2017 dtd 23/03/2017	675.19	10-10-2018 [SITC] 10-10-2023 [O&M] [See Foot note 1]

Sr. No.	Client Name	Nature of Work	Work Order No.	Value of Project	Date of Completion
4	GWSSB	Design, Engineering, Supply, Installation, Testing & Commissioning of Vertical Turbine Pumping Machinery with Associated Mechanical and Electrical Equipment, PLC-SCADA based Instrumentation System and Accessories with Operation and Maintenance for 60 Months @ Dharoi Raw Water Intake Well Pumping Station under Augmentation of Danta-Vadgam-Palanpur Group Water Supply Project, Taluka: Satlasana, District: Mehsana. [SITC work completed- O&M ongoing]	SK/Danta Taluka Dharoi Aug/Intake/ID-463090/1360 dtd 31/08/2021	917.48	04-07-2022
5	Sayakha GIDC Bharuch	SITC pf VT & SCF types pumps with accessories and allied Electro mechanical equipments for water supply arrangement @ reservoir & sumps, sayakha (sayakha A & B) including one year comprehensive operation and maintenance.	GIDC/EE/M&E/BRH/AB/458 Dtd 20-10-2016	1555.18	19-06-2018 [SITC] 18-06-2019 [O&M]
6	Vapi, GIDC	Engineering (Designing), Supply, Installation, Testing and commissioning of "Vertical Turbine (VT)" & "Horizontal Split Casing Centrifugal (HSCF)" - Energy Efficient (Life Cycle Cost) types Pumpsets with allied equipments and accessories including instrumentation with PLC SCADA System for Water Supply Scheme (W.S.S.) of Notified Area Authority (NAA), GIDC, Vapi including Five (05) year comprehensive maintenance guarantee period. (PQ with two bid system –B2 agreement). [SITC work completed- O&M ongoing]	CO/NAO/GIDC/VAPI/990 dtd 01-10-2019	1261.93	30-09-2020
7	Vapi Nagarpalika	Bid Documents for O & M Contract for pumping machinery including post completion O & M for Twelve months including water supply pipeline works for VAPI Water Supply Project	1621/2019-20/344 dtd 26/02/2020	752.23	21-10-2020
8	GWRDC	Engineering, Procurement and Construction (EPC) Contract for Lift irrigation M.S.Pipeline project for transmission of 50 cusecs of water from Matpur village taluka- Patan to Dharoi extended Branch 4 & 5 near Brahmanwada village taluka –Unjha District Mehsana including Construction of Pumping Station ,supplying and laying M.S pipeline of 1200 mm (ID) , 8mm thickness with allied works etc. with operation and maintenance of commissioned project for 10 years including 3 years Defect liability period for Matpur – Brahmanwada Dist. Mehsana Pipeline Project [SITC work completed- O&M ongoing]	EE/unit-2(SS)/AB/Tender/Matpur-Brahmanwada/Workorder/747/2021 dtd 12/07/2021	1076.95	19-04-2023

Sr. No.	Client Name	Nature of Work	Work Order No.	Value of Project	Date of Completion
9	AMC	Supply, Installation, Testing & Commissioning of Internal & External Electrification Works with 4 (Four) Years Operation and Comprehensive Maintenance Service Contract at Proposed Girls Hostel Building, V.S. Hospital Campus, Ellisbridge, Ahmedabad	DLM 1516 dtd 22/02/2017	364.90	20-02-2019 [SITC] 20-02-2023 [O&M] [See foot note 2]
10	GWIL	Works for Supply, Installation, Testing and Commissioning (SITC) of pumping machinery and allied electro-mechanical & instrumentation works and civil works including 10 year O&M at Pipli (SPP-2) Pumping Station [SITC work completed- O&M ongoing]	GWIL/SITC & O&M/LOI/ Tender ID 475381/2549/2021 Dtd 16/11/2021	819.45	30-06-2023
11	GWIL	Works for Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works and Design & construction of civil works including 10 year O&M at Morbi (NC-7) Pumping Station [SITC work completed- O&M ongoing]	GWIL/O&M/LOI/TENDER ID 443037/947/2021 & DT 26-04-2021	1070.74	28-02-2023
12	GWIL	Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works including 10 year O&M at NC-3 (Vallabhipur) T.ID 440398 [SITC work completed- O&M ongoing]	GWIL/O&M/LOI/TENDER ID- 440398/561/2021 & DT 06/03/2021	654.10	31-10-2022

Footnote:

1. For the project undertaken by the Company with GWIL vide work order number GWIL/Navda/Work Order/07/2017 dated 23/03/2017 (mentioned at Sl No. 3 in above table), though the project has been completed for SITC as well as for O&M, the company is yet to receive the O&M completion certificate from the Tendering authority.
2. For the project undertaken by the Company with Ahmedabad Municipal Corporation vide work order number DLM 1516 dated 22/02/2017 (mentioned at Sl No. 10 in above table), though the project has been completed for SITC as well as for O&M, the company is yet to receive the O&M completion certificate from the Tendering authority.

Source: The contract value of projects has been certified by M/s. B V Gajera & Co., Chartered Accountants vide their certificate dated May 28, 2024, vide UDIN: 24185348BKAUFU4094.

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**Completed projects at a glance**



**Gujrat Water Infrastructure Project (GWIL), Anjar, Kutch, Package-3**



**Gujrat Water Infrastructure Project (GWIL), Anjar, Kutch, Package-4**



**Gujrat Water Infrastructure Project (GWIL), Anjar, Kutch, Package-4**



**GIDC, Bharuch**



**Gujrat Water Infrastructure Project (GWIL), Anjar, Kutch, Package-3**



**GWIL, Navda**

**MAJOR ONGOING PROJECTS**

Following are list of major Ongoing projects [including the projects in which SITC work has been completed but Operations and Maintenance part is ongoing]:

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
1.	Ahmedabad Municipal Corporation	SITC work of Pumping Machinery with Related Mechanical, Electrical and Instrumentation Work with Five years Operation and Maintenance for Proposed Water pumping station at TP-24, FP-64/4 Nr. Mihir Tower in Maninagar Ward of South Zone of Ahmedabad Municipal Corporation (AMC).	WOE&MD NO. 514 Dtd 14-3-22	344.06	192.82	14-03-2022
2.	Ahmedabad Municipal Corporation	SITC work of Pumping Machinery with Related Mechanical, Electrical and Instrumentation Work with Five years Operation and Maintenance for Proposed Water pumping station at Aakash Darshan WDS in Sabarmati Ward, West Zone of Ahmedabad Municipal Corporation (AMC).	WOE&MD NO. 407, Dtd 3-1-22	403.09	206.72	03-01-2022
3.	Indira Gandhi Nahar Project, Phalodi, Rajasthan	"Replacement and New Installation of Motors pumps HT LT Transformers Panels Outdoor VCBs etc. at PS of Guru Jamheshwar lift"	EE/MD/ACT'S/1543 Dtd. 29-11-2022	415.17	367.20	29-11-2022
4.	Indira Gandhi Nahar Project, Bikaner, Rajasthan	Replacement of Old Motors, Pumps, HT/LT Transformers, Panels, Outdoor VCB's etc at PS of Kanwarsain Lift for year 2022-23	1740, Dtd 25-1-2023	1524.17	598.27	03-02-2023
5.	The Indian Hume Pipe Co. Ltd Jaipur	Supply and laying of MS Casting pipe and pushing with Trenchless method under the "Work of Bisalpur - Prithvi- Raj Nagar Water Supply Project Phase-I Stage-I including Defect Liability period for one year and O&M for 10 years (NIT No 03/2019-20)"	IHP/JPR/283 Dtd 11/07/2022	1626.21	1408.20	12-07-2022
6.	The Indian Hume Pipe Co. Ltd Jaipur	SITC of Electro mechanical work under the "Work of Bisalpur-Prithvi Raj Nagar Water Supply Project Phase-I Stage-I including Defect Liability Period for one year and O& M for 10 Years (NIT No. 03/2019-20)"	IHP/JPR/PRN/382 Dtd 02/02/2022	688.01		02-02-2022
7.	Gujarat Water Supply & Sewerage Board	"Design, Build, Trial Run Contract for construction of RCC U/G Sump, Pump Room & Providing, Supplying, Lowering, Laying & Jointing DI & PVC Pipeline network (Rising Main & Distribution	1767 Dtd 23-05-22	2037.18	1408.72	23-05-2022

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
		Gravity main) & Supply, Installation, Testing & Commissioning of HSCF/VT Pumps With Associated Mechanical and Electrical Equipment's, Instruments & Accessories at R.C.C. Sump, pump house electrification work etc. including Operation & Maintenance of All type Civil & Mechanical Structures, Machineries & pipeline network for 5 yrs. of kudasana group (villages of G-2) RWSS & water supply scheme in TP-1,2,3,20,21 of GMC/GUDA area Ta & Dist. Gandhinagar [in JV with V L Infra Projects P Ltd]				
8.	Gujarat Water Infrastructure Limited	Works for Supply, Installation, Testing and Commissioning (SITC) of pumping machinery and allied electro-mechanical & instrumentation works and civil works including 10-year O&M at Pipli (SPP-2) Pumping Station [SITC work completed- O&M ongoing]	GWIL/SITC & O&M/LOI/Tender ID-475381/2549/2021 Dtd 16/11/2021	1201.55	615.50	16-11-2021
9.	Gharpure Engineering & Constructions Private Limited, Vadodara	Mechanical, Electrical and Piping Works for EPC, Testing and Commissioning of 200 MLD WTP Incl. Clear Water Sump and pump house incl. at Jaspur Head Works incl. 3 months successful trial run & acceptance of entire water works facility at Jaspur and trial run & acceptance of above under water project of AMC	GECPL/AMC/WTP/PROJECT/LOI/02, W.O. No. 3442 Dtd 25/12/2021	4450.30	2330.40	30-04-2022
10.	Gujarat Water Infrastructure Limited	Works for Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works and Design & construction of civil works including 10-year O&M at Morbi (NC-7) Pumping Station [SITC work completed- O&M ongoing]	GWIL/O&M/LOI/TENDER ID – 443037/947/2021 & Dtd 26-04-2021S	1559.93	813.89	26-04-2021
11.	Jay Builders, Ahmedabad	“Design , Build , Testing & Commissioning of Intake Well With Approach Bridge, Pump House, RCC Under Ground Sump / HGLR ,Providing, Supplying, Lowering, Laying, Jointing, Testing and	Ref. No. Damanganga/PO/22-23/35 Dtd 30/10/2022	1417.78	387.12	02-04-2023

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
		Commissioning of Mild Steel Pipe for Rising Main and Gravity Main including SITC of Pumping Machinery and all allied work complete with post completion O&M for five years for 'Damanganga River Basin (Madhuban Dam) Based Bulk Water Pipeline Scheme' of Valsad, Pardi, Dharampur taluka of Valsad District (181+1 Villages / City) and Khergam, Chikhli, Vansda, and Gandevi taluka of Navsari District (214 Villages)."				
12	Jay Builders, Ahmedabad	"“Design, Build , Trial Run Contract for construction of Intake well in Tapi River near Vankla village, 140 MLD WTP @ MHW, RCC U/G Sump, RCC ESR, Pump House& Providing, Supplying, Lowering, Laying & Jointing Rising Main& Gravity main Pipeline & Supply, Installation, Testing & Commissioning of VT & HSCF Pumps With Associated Mechanical and Electrical Equipment's, Instruments & Accessories with Operation& Maintenance of All type Civil & Mechanical Structures, Machineries & Pipeline Network (New & Existing) for 5 Yrs. Under Regional Water Supply Scheme For Uncovered Villages of Bardoli, Palsana, Mandvi of Surat District (100 Villages) & Jalalpor, Gandeviand Navsaritaluka of Navsari District (171 Villages).”"	Ref. No. Surat Bulkline/PO/22-23/36 Dtd 12/10/2023	1728.71	671.57	05-01-2023
13.	Gujarat Water Infrastructure Limited	Replacement and refurbishment of pumping machineries and allied electro-mechanical & instrumentation works including 10-year O&M at NC-3 (Vallabhipur) T.ID 440398 [SITC work completed- O&M ongoing]	GWIL/O&M/LOI/TENDER ID-440398/561/2021 & Dtd 06/03/2021	1032.38	586.52	06-03-2021
14.	Temple Board Nathdwara,Rajasthan	Electrical work of Laxmi Niwas Dharmshala, Temple Board Nathdwara.	4350/NV/2023 & Dtd 06/09/2023	99.83		06-09-2023



Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
15.	Temple Board Nathdwara, Rajasthan	Electrical work of Porbandar Wali Dharmshala at Nathdwara	1732/NV/2023 & Dtd 02/06/2023	344.18	48.29	02-06-2023
16.	Sardar Sarovar Narmada Nigam Ltd	Comprehensive operation and maintenance contract of 05 years for dewatering system consisting of 12 nos. of 100 HP, 08 nos. of 75 HP and 02 nos. of 30 HP submersible pumps in dewatering sumps in dam galleries and at right bank pumps shafts of Sardar Sarovar Dam	NPMD/AB-TC/ Work Order/291 of 2023 Dtd 27/04/2023	265.07		27-04-2023
17.	Western Railway Ahmedabad- Division-Electrical, Ahmedabad	Modification of track crossing, Electrification of S&T structure / TRD/other service buildings / staff Quarters, Platform, Cover Sheds, sub way, providing pumpset, Coaching terminal facilities in connection with Bhuj Naliya Gauge conversion Work	WR-DYCEE-C-ADI- ELECTRICAL / EL-C-ADI- GS-265-2022-23 / 01496490080626 & Dtd 05/07/2023	456.91		05-07-2023
18.	Gujarat Water Supply & Sewerage Board	Design , Build, construction of Water Treatment Plant 16.50 MLD at Jalundra HW, Providing, Supplying, Lowering, Laying, Jointing and commissioning of 168.3 mm to 508 mm Dia M.S Pipe,300 mm to 450 mm Dia DI K-7 and 90 mm to 315 mm Dia PVC 6kg/cm2 Pipeline network and SITC of various HSCF/VT Pumps, Panel board electrification With ancillary works at Different HWs and SHWs, various size R.C.C. U/G Sump, R.C.C. ESR, Pump house, Compound Wall with 3 months Trial run and 5 Years of O and M of All type Civil and Electro-Mechanical work (all New and Existing structures/work) in Augmentation of G-2 RWSS Jalundra Group under Jal Jeevan Mission, Taluka. Gandhinagar &Dehgam, Dist. Gandhinagar. [In JV with V L Infra Projects P Ltd]	G-2RWSS/Jalundra Group T.ID:- 558398/ 295 dtd 10- 02-2023	1755.59	767.00	10-02-2023
19.	GANDHVI - GWIL – Sub-contract from	"Design and SITC of Pumping Machinery at Gandhvi and Porbandar P.S. for Gandhvi to Gorinja and Gandhvi to Porbandar in the state of Gujarat		970.00		31-10-2023

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
	Corrtech International Ltd.					
20	Temple Board Nathdwara, Rajasthan	Complete Renovations and Upgradation of Electrical system and allied utilities like CCTV Surveillance system, public address system, Firefighting system at Shrinathji Temple, Nathdwara.	6466/NV/2023 & Dtd 06/12/2023	337.97		01-01-2024
21	Gujarat Water Supply & Sewerage Board	Design & Construction of Various Sizes * Sumps & RCC ESR, providing, supplying, lowering laying and jointing of DI & PVC pipeline for Rising main/ Gravity distribution pipeline network including providing, supplying, erecting and testing Pumping Machineries at Main HW & Sub HW & Village Level Pumping Stations, RCC Road, Staff quarter, Compound Wall, Electrification work and other headwork development works at Main HW & Sub HW and Operation & Maintenance of All type Civil & Mechanical Structures, Machineries & Pipeline Network for 10 Yrs. for A2 Augmentation Regional Water Supply Scheme based on Dholka branch canal : Part-I (Telav group) : Package 1 ,Taluka : Bavla & Sanand Distict :- Ahmedabad" [In JV with V L Infra Projects P Ltd]	ZONE- 2/PB/AHMEDABAD/AUG. OF A-2 RWSS TELAV GROUP PKG-1/T.ID- 10132/197/2024 & Dtd 01/02/2024 TOTAL TENDER AMT. 74,29,36,441/-	4457.61		01-02-2024
22.	Gujarat Water Supply & Sewerage Board	"Design & Construction of Pump house, Erection of New Air Valve on pipeline & Design with SITC of pumping machinery at Intake Well & Sub H.W including Electrification work at Various H.W under Dahod City Aug Water Supply Scheme With Operation and Maintenance for Ten (10) years under Aug of Dahod City Water Supply Scheme & Hirola	PB/ Zone-1/ Dahod/Dahod City Aug.WSS/ID- 607786/Amd/ 341 Dtd 15/02/2024	4030.64		09-02-2024

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
		RWSS TA-Santrampur, Sanjeli, Zalod, Dahod Dist: Mahisagar, Dahod."				
23	Gujarat Infrastructure Limited	Water Design, Build and operate for proposed pumping machinery work at Anjar, Construction of Sump (100LL Capacity) and Pump house (15 x 36 Mtr) under Kutch Augmentation Package-4 Taluka Anjar Kutch including 5-year O&M work [SITC work completed- O&M ongoing] [In JV with Laxmi Civil Engineering Service P Ltd]	GWIL/Anjar/Kutch Augment/Package-4/ Work Order/1361/2019 Dtd 13/06/2019, Total tender amount Rs 12,96,78,399/-	1157.84	1025.89	16-11-2021
24	Gujarat Infrastructure Limited	Water Design, Build and operate for replacement of pumping machinery Anjar and Varshamedi pumping station including 5-year O&M works under Kutch Augmentation Taluka Anjar Distt Kutch [SITC work completed- O&M ongoing] [In JV with Laxmi Civil Engineering Service P Ltd]	GWIL/Kutch augmentationwork/P.M./Replacementwork/2018/LOI/ Tender Id Number - 330101/1891 DTD 22/11/2018; Total Tender Amount Rs 21,23,69,131/-	1896.15	1751.77	22-11-2018
25	Gujarat Infrastructure Limited	Water Comprehensive Operation, Maintenance & Repair of whole Electro Mechanical Installation under NC-4A Project including all Electrical Equipment including 11KV Switchyard, Mechanical equipment Instrumentation equipment (SCADA) Etc/ along with all related accessories as installed at Budhel pumping station with civil structures like pump house Sump M/S/ Fabricated structure for 60months (Tender ID -409371)	GWIL/O&M/LOI/ Tender Id Number-409371/1367/2020 Dtd 19/08/2020	282.57	152.97	19/08/2020
26	Gujarat Water Supply & Sewerage Board	Design, Engineering, supply, installation, Testing and commissioning of Vertical Turbine Pumping Machinery with associated mechanical and electrical equipment, PLC SCADA based instrumentation systems and accessories with O&M for 60 months @ Dharoi Raw water intake Well Pumping station under augmentation of Danta-Vadgam-Palanpur group water supply project	SK/Danta Taluka Dharoi Aug/Intake/ID – 463090/1360 & Dtd 31/08/2021	1113.64	798.66	13-08-2021

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
		Taluka Satlasana, Distt Mehsana [Tender ID 463090] [SITC work completed- O&M ongoing]				
27	Rajkot Municipal Corporation	Comprehensive Operation and Maintenance for a period of 5 years at District Garden Pumping Station	RMN Pa/Wo. V/J. No. 1999 Dtd 11/12/2019	206.67	191.36	21-04-2021
28	Ahmedabad Municipal Corporation	Refurbishment with SITC of Electrical, Mechanical & Instrumentation work with Operation & Maintenance period of 60 Months at Viratnagar & Rakhial Sewage pumping station of A.M.C.	STP/551/20-21 Dtd 15/06/2020	261.06	211.84	01-05-2021
29	Vapi, GIDC	Engineering (Designing), Supply, Installation, Testing and commissioning of “Vertical Turbine (VT)” & “Horizontal Split Casing Centrifugal (HSCF)” - Energy Efficient (Life Cycle Cost) types Pumpsets with allied equipments and accessories including instrumentation with PLC SCADA System for Water Supply Scheme (W.S.S.) of Notified Area Authority (NAA), GIDC, Vapi including Five (05) year comprehensive maintenance guarantee period. (PQ with two bid system –B2 agreement). [SITC Completed - O & M ongoing]	CO/NAO/GIDC/VAPI/990 dtd 01-10-2019	1207.80	1126.72	01-10-2019
30	GWRDC	Engineering, Procurement and Construction (EPC) Contract for Lift irrigation M.S.Pipeline project for transmission of 50 cusecs of water from Matpur village taluka- Patan to Dharoi extended Branch 4 & 5 near Brahmanwada village taluka –Unjha District Mehsana including Construction of Pumping Station ,supplying and laying M.S pipeline of 1200 mm (ID) , 8mm thickness with allied works etc.with operation and maintenance of commissioned project for 10 years including 3 years Defect liability period for Matpur – Brahmanwada Dist.Mehsana Pipeline Project	EE/unit- 2(SS)/AB/Tender/Matpur- Brahmanwada/Workorder/74 7/2021 dtd 12/07/2021	1269.16	961.56	13-07-2021

Sr. No.	Principal Name	Nature of work contract and its discription	Work Order No.	Contract Awarded Amount (In Lakhs) (Excl. GST)	Revenue Booked as on December 31,2023 (in Lakhs)	Date of Commencement
		[SITC Completed - O & M ongoing]				
<b>Total</b>				<b>38,541.23</b>	<b>16,622.99</b>	

Source: The contract value of projects has been certified by M/s. B V Gajera & Co.; Chartered Accountants vide their certificate dated May 28, 2024 vide UDIN: 24185348BKAUFV3721.

#### DETAILS OF IMMOVABLE PROPERTY

##### Properties Owned by our Company:

Description of Property	Vendor/ Lesser	Date and type of Instrument/Document Executed	Term of the Lease & Area
205, Ashram Avenue, B/H Kochrab Ashram, Paldi, Ahmedabad, Gujarat	Shubhaben Aswinbhai Khanna	February 01, 2013	Area admeasuring 325 Sq feet
206, Ashram Avenue, B/H Kochrab Ashram, Paldi, Ahmedabad, Gujarat	Shubhaben Aswinbhai Khanna	February 01, 2013	Area admeasuring 325 Sq feet

##### Properties taken on rent by our Company:


The Details of the Immovable property taken on rent / NOC basis is given here below:

Sr. No.	Agreement Date	Name of Lessor	Name of Lessee	Description of Property	Usage Purpose	Rent (In ₹)	Tenure
1	April 24, 2018	Mita Dipak Pandya and Varsha Mahendra Patel	H.M. Electro Mech Limited	302, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 28.00 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.
2	April 24, 2018	Mita Dipak Pandya and Varsha Mahendra Patel	H.M. Electro Mech Limited	303, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 30.19 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.
3	April 24, 2018	Dipak Padmakant Pandya	H.M. Electro Mech Limited	304, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat,	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in

Sr. No.	Agreement Date	Name of Lessor	Name of Lessee	Description of Property	Usage Purpose	Rent (In ₹)	Tenure
				spread across an area of total 30.00 square meters.			writing and affirmed by the company.
4	April 24, 2018	Mahendra Ramabhai Patel	H.M. Electro Mech Limited	305, Ashram Avenue, BH. Kochrab Ashram, Paldi, Ahmedbad-380006, Gujarat, spread across an area of total 30.00 square meters.	For business purpose	No rent basis	Taken on No rent basis through NOC; Valid till cancelled in writing and affirmed by the company.

### INTELLECTUAL PROPERTY

Our intellectual property rights are important to our business. As on the date of this Draft Red Herring Prospectus, we have registered our domain name '[www.hmelectromech.com](http://www.hmelectromech.com)', we have also made an application under Trademarks Act 1999 for registering the logo of our Company. The details are as given below:

Sr. No.	Brand Name/Logo/ Trademark	Class	Nature of Trademark and Application No.	Issuing Authority	Owner	Date of Application	Current Status
1		37	Device 6255010	Trade Mark Registry	H.M. Electro mech Limited	January 10, 2024	Objected

### Domain Name

Sr. No.	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name	Creation Date	Registry Expiry Date
1.	<a href="http://hmelectromech.com">hmelectromech.com</a>	2275223908_DOMAIN_COM-VRSN	H.M. Electro mech Limited	2018-06-15	2025-06-15

### INSURANCE

Our operations are exposed to various risks inherent in our industry, including equipment failure, work accidents, fire, earthquakes, floods, and other force majeure events. We also face risks related to acts of terrorism, explosions, and hazards that could lead to injuries, loss of life, damage to properties and equipment, and environmental harm. Additionally, we may encounter claims related to defects in pipelines during the warranty or defect liability period. To mitigate these uncertainties, we diligently secure insurance coverage for all our projects in accordance with the specific requirements of each project. By obtaining appropriate insurance, we aim to minimize potential financial losses and liabilities associated with unforeseen events or claims. Following are the details of insurance policies obtained by our company.

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
<b>A. Policies taken for running O &amp; M Projects</b>						
1.	Iffco Tokio General Insurance Company Limited	43320967	March 06, 2025	Worker Policy for Maintenance in pumping Station for project Anjar	NA	18,861.12

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
2.	Iffco Tokio General Insurance Company Limited	43304319	August 31, 2024	Worker Policy for Maintenance in pumping Station for project Dharoi	NA	14,250.62
3.	Iffco Tokio General Insurance Company Limited	54I64427	June 22, 2026	Group Worker Policy for Maintenance in pumping Station for project	1,45,00,000	14,149.00
4.	Iffco Tokio General Insurance Company Limited	43320940	March 06, 2025	Worker Policy for Maintenance in pumping Station for project Navda	NA	15,675.68
5.	Iffco Tokio General Insurance Company Limited	43320943	March 06, 2025	Worker Policy for Maintenance in pumping Station for project NC 4A Budhel	NA	8,173.16
6.	Iffco Tokio General Insurance Company Limited	43318912	February 07, 2025	Worker Policy for Maintenance in pumping Station for project NC 10	NA	18,735.38
7.	Iffco Tokio General Insurance Company Limited	43318911	February 07, 2025	Worker Policy for Maintenance in pumping Station for project NC 11	NA	18,735.38
8.	Iffco Tokio General Insurance Company Limited	43318068	February 01, 2025	Worker Policy for Maintenance in pumping Station for project NC 7 Morbi	NA	15,072.13
9.	Iffco Tokio General Insurance Company Limited	43318069	February 01, 2025	Worker Policy for Maintenance in pumping Station for project SPP 2 Pipli	NA	15,072.13
10.	Iffco Tokio General Insurance Company Limited	43310309	November 02, 2024	Worker Policy for Maintenance in pumping Station for project NC 3 Vallabhipur	NA	10,031.75
11.	Iffco Tokio General Insurance Company Limited	54G82295	October 03, 2024	Worker Policy for Maintenance in pumping Station for project Anjar Package -4	NA	510.00
<b>B. Fire Policies taken for Projects being done by company</b>						
1.	Iffco Tokio General Insurance Company Limited	12727597	March 06, 2025	Fire Policy of Pumping Machinery for project Anjar P-4	7,39,24,280	83,000.00

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
2.	IffcoTokio General Insurance Company Limited	12650321	August 31, 2024	Fire Policy of Pumping Machinery for project Dharoi	9,17,48,250	88,667.00
3.	IffcoTokio General Insurance Company Limited	12652683	September 05, 2024	Fire Policy of Pumping Machinery for project NC 4A Budhel	10,51,83,077	97,803.00
4.	Iffco Tokio General Insurance Company Limited	12715290	February 02, 2025	Fire Policy of Pumping Machinery for project NC 7 Morbi	10,12,64,761	74,145.00
5.	IffcoTokio General Insurance Company Limited	12667506	October 13, 2024	Fire Policy of Pumping Machinery for project NC 10 & NC 11	15,07,53,626	134,707.00
6.	Iffco Tokio General Insurance Company Limited	12715255	February 01, 2025	Fire Policy of Pumping Machinery for project SPP 2 Pipli	7,05,46,782	72,340.00
7.	Iffco Tokio General Insurance Company Limited	12677892	November 02, 2024	Fire Policy of Pumping Machinery for project NC 3 Vallabhipur	6,70,66,335	49,105.00
<b>C. Policies taken for Company</b>						
1.	Iffco Tokio General Insurance Company Limited	12635947	July 24, 2024	General Policy Stock Insurance	10,00,00,000	74,681.00
2.	United India Insurance Company Limited	0603004224P104366787	June 25, 2025	Group Personal Accident Policy	4,48,51,600	80,252.00
<b>D. Policies taken for Properties given as mortgage to bankers</b>						
1.	ICICI Lombard General Insurance Company Ltd	1015/284342688/00/000	March 14, 2028	ICICI Bharat Sookshma Udyam Suraksha, Dipak Padmakant Pandya Home 25A Nutan	36,20,000	7930.00
2.	ICICI Lombard General Insurance Company Ltd	1016/335040849/00/000	March 18, 2025	ICICI Bharat Sookshma Udyam Suraksha, Dipak Padmakant Pandya 304	20,80,000	1,565.00



Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
3.	ICICI Lombard General Insurance Company Ltd	1016/335043894/00/000	March 18, 2025	ICICI Bharat Sookshma Udyam Suraksha, Dipak Padmakant Pandya Home H-201 Shreenath	36,00,000	2,708.00
4.	ICICI Lombard General Insurance Company Ltd	1016/335041599/00/000	March 18, 2025	ICICI Bharat Sookshma Udyam Suraksha, Mahendra Ramabhai Patel 305	20,80,000	1,565.00
5.	ICICI Lombard General Insurance Company Ltd	1016/335027701/00/000	March 18, 2025	ICICI Bharat Sookshma Udyam Suraksha, Mita Dipak Pandya and Varsha Mahendra Patel 303	20,40,000	1,534.00
<b>E. Mediciclaim Policies taken for key personnel of company</b>						
1.	United India Insurance Company Limited	0604002823P103655527	July 06, 2024	Mediciclaim Policy of Mr Babubhai Makwana	5,00,000	24,462.00
2.	United India Insurance Company Limited	0604002823P103655974	July 06, 2024	Mediciclaim Policy of Mr Patel Haresh A	5,00,000	23,105.00
3.	United India Insurance Company Limited	0604002823P103655690	July 06, 2024	Mediciclaim Policy of Mr Patel Krunal M	5,00,000	15,362.00
4.	United India Insurance Company Limited	0604002823P103655794	July 06, 2024	Mediciclaim Policy of Mr Solanki Mehul R.	5,00,000	17,136.00
5.	United India Insurance Company Limited	0604002823P103655174	July 06, 2024	Mediciclaim Policy of Mr Solanki Sanatkumar Manubhai	3,00,000	10,567.00
6.	United India Insurance Company Limited	0604002823P103656315	July 06, 2024	Mediciclaim Policy of Mr Patel Hitesh Kumar Bhailalbhai	3,00,000	14,592.00
7.	United India Insurance Company Limited	0604002823P103654727	July 06, 2024	Mediciclaim Policy of Mr Patel Meet Kumar Arunbhai	3,00,000	4,211.00
8.	United India Insurance Company Limited	0604002823P103655636	July 05, 2024	Mediciclaim Policy of Mr Patel Yogesh A.	3,00,000	11,598.00

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
9.	United India Insurance Company Limited	0604002823P103656118	July 06, 2024	Mediclaim Policy of Mr Ritesh Kumar Pandey	3,00,000	5,549.00
10.	United India Insurance Company Limited	0604002823P103656355	July 06, 2024	Mediclaim Policy of Mr Patel Sunil (Sub Contractor)	3,00,000	5,328.00
11.	United India Insurance Company Limited	0604002823P103654831	July 06, 2024	Mediclaim Policy of Mr Thakor Ashish Bharatbhai (Sub Contractor)	3,00,000	10,567.00
12.	United India Insurance Company Limited	0604002823P103654904	July 06, 2024	Mediclaim Policy of Mrs. Vadhavana Nidhi Kapil kumar	3,00,000	10,258.00
13.	United India Insurance Company Limited	0604002823P103656257	July 06, 2024	Mediclaim Policy of Mr. Makwana Amratlal	3,00,000	16,202.00

**F. Life Insurances taken for Key personnel of company**

1.	Reliance Nippon Life Insurance	54261052	April 05, 2035	Life Policy of Mr. Ashish M Rajput	3,39,054	31,350.00
2.	Reliance Nippon Life Insurance	54261370	April 05, 2035	Life Policy Mr. Sanatkumar M Solanki	3,39,054	31,350.00
3.	Reliance Nippon Life Insurance	54261237	April 05, 2035	Life Policy Mr. Amratbhai V Makwana	3,30,000	31,350.00
4.	Reliance Nippon Life Insurance	54261301	March 29, 2035	Life Policy Mr. Babu M Makwana	22,00,000	2,09,000.00
5.	Reliance Nippon Life Insurance	54261347	April 05, 2035	Life Policy Mr. Yogesh Kumar Patel	8,25,000	78,375.00
6.	Reliance Nippon Life Insurance	54269088	March 31, 2035	Life Policy Mr. Harshal M Patel	56,68,550	5,22,500.00
7.	Reliance Nippon Life Insurance	54261317	April 04, 2035	Life Policy Mr. Krunal M Patel	5,58,400	52,250.00
8.	Reliance Nippon Life Insurance	54261424	April 05, 2035	Life Policy Mr. Hitesh M Amin	3,40,113	31,350.00
9.	Reliance Nippon Life Insurance	54261445	April 05, 2035	Life Policy Mr. Hitesh B Patel	3,30,000	31,350.00

Sr. No.	Insurance Company	Policy Number	Date of expiry	Details	Sum Insured (in ₹)	Premium Paid (in ₹)
10.	Reliance Nippon Life Insurance	54261227	March 24, 2035	Life Policy Mr. Haresh Kumar Patel	22,00,000	2,09,000.00
11.	Reliance Nippon Life Insurance	53885359	February 28, 2033	Life Policy Mr. Solanki Mehul Kumar Ramanlal	89,81,680	8,36,000.00
12.	Reliance Nippon Life Insurance	54261187	April 05, 2035	Life Policy Mr. Solanki Mehul Kumar Ramanlal	5,58,400	52,250.00
13.	Reliance Nippon Life Insurance	54261299	April 05, 2035	Life Policy Mr. Ajay Singh B Rajput	3,30,000	31,350.00
14.	Reliance Nippon Life Insurance	54261407	April 05, 2035	Life Policy Mr. Ritesh Kumar Pandey	3,39,450	31,350.00

#### INDEBTEDNESS OF THE COMPANY

The details of facilities availed Secured and unsecured from various Financial Institution and other parties are as follows. For more details of other indebtedness please refer “Restated Financial Information” beginning from page no. 164 of Draft Red Herring Prospectus.

#### Long Term Borrowings

Sr. No.	Name of Institution	Sanction Amount (₹ in Lakhs)	Purpose	Amount o/s as on December 31, 2023 (₹ In Lakhs)	Interest / Commission Rate per annum	Security/Margin	Number of instalments
1.	Axis Bank Ltd	50	BUSINESS GROWTH	35.46	14.5%	UNSECURED	36
2.	Deutsche Bank	50	BUSINESS GROWTH	37.12	15%	UNSECURED	36
3.	HDFC Bank	75	BUSINESS GROWTH	53.50	14.5%	UNSECURED	36
4.	ICICI Bank Ltd	50	BUSINESS GROWTH	35.74	14.75%	UNSECURED	36
5.	IDFC Bank	76.50	BUSINESS GROWTH	56.52	14.5%	UNSECURED	36
6.	Indusind Bank	50	BUSINESS GROWTH	44.34	15.75%	UNSECURED	24
7.	Kotak Mahindra Bank	100	BUSINESS GROWTH	53.33	13.95%	UNSECURED	24
8.	Standard Chartered Bank	100	BUSINESS GROWTH	70.99	15%	UNSECURED	36
9.	Yes Bank	50	BUSINESS GROWTH	35.50	14.75	UNSECURED	36
10.	Aditya Birla	50	BUSINESS GROWTH	42.21	16%	UNSECURED	12
11.	Credit Saison	50	BUSINESS GROWTH	44.32	15.5%	UNSECURED	24

12.	Fullerton India Credit Company Limited	50	BUSINESS GROWTH	37.05	15.25%	UNSECURED	37
13.	Poonawala Fincorp Ltd	50.10	BUSINESS GROWTH	46.51	16%	UNSECURED	24
14.	Shriram Finance Ltd	50	BUSINESS GROWTH	44.40	19.78%	UNSECURED	24
15.	Tata Capital	75	BUSINESS GROWTH	39.89	14.5%	UNSECURED	24
16.	UGRO Capital Ltd	49.85	BUSINESS GROWTH	46.30	16%	UNSECURED	24
17.	ICICI Bank	9.10	BUSINESS GROWTH	7.52	9.25%	SECURED	36
18.	ICICI Bank	9	BUSINESS GROWTH	3.75	7.40%	SECURED	36
19.	Union Bank of India	10	BUSINESS GROWTH	6.17	7.25%	SECURED	60
20.	TATA Capital	200	BUSINESS GROWTH	185.01	12.25%	SECURED	24

#### Short Term Borrowings

Lender	Sanctioned Amount	Nature of Loan	Amount o/s as on December 31, 2023 (₹ In Lakhs)	Rate of Interest	Collateral Security	Period of Repayment
ICICI Bank OD	190.00	Overdraft	116.41	10.25	Guaranteed by Directors	Working Capital Facility
ICICI Bank Willo OD	100.00	Overdraft	95.37	9.85	Guaranteed by Directors	90 Days
Ratnafin Private Limited	200.00	Bill Discounting	139.68	13.00	Guaranteed by Directors	Usance Maximum Up to 90Days
LC -24-tmeic	Sublimit of Bank Guarantee	Overdraft	170.54	1.25	Guaranteed by Directors	90 Days

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## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled "Government and other Approvals" on page 184 of this Draft Red Herring Prospectus -*

**This chapter has been classified as under:**

- A. Industrial, Labour and employment Laws**
- B. Corporate and Commercial laws**
- C. Tax Laws**
- D. Foreign Trade Regulations**
- E. Intellectual Property Laws**

### **A. INDUSTRIAL, LABOUR AND EMPLOYMENT LAWS**

#### **The Micro, Small and Medium Enterprises Development Act, 2006**

MSMED Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises vide notification dated June 26, 2020 specified that every micro, small and medium enterprises is required to file a Memorandum for Udyam Registration in the

#### **The Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019**

The Gujarat Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2019 ("2019 Act") was published in the gazette of the State of Gujarat on Mar 7, 2019 and became effective from May 1, 2019.

The shops and establishments already validly registered under the erstwhile 1948 Act are not required to register themselves again under the new Act until the expiry of the previous registration. Traders and businessmen having up to 9 workers are exempt from registration. Such employers are required to submit an online application along with self-certified documents within 60 days of commencement of business. Such establishments are issued acknowledgement of the intimation of their business. As regards shops and establishments having 10 or more workers, an application for registration, self-declaration and self-certified documents must be submitted to the concerned Inspector along with prescribed fees within 60 days of commencement of business. Once registered under the 2019 Act, the shops/establishments shall remain validly registered until there is change in ownership or nature of business. This means the registration obtained shall not be required to be renewed from time to time.

#### **The Employees Provident Fund and Miscellaneous Provisions Act, 1952 ("EPF Act") and the schemes formulated there under ("schemes")**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, 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 EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

#### **The Employees State Insurance Act, 1948**

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All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department. The Employees' State Insurance Rules, 1950 ensure implementation of the provisions of the Employees' State Insurance Act, 1948.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place through implementation of a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

### **The other labour laws applicable to the Company are:**

- Contract Labour (Regulation and Abolition) Act, 1972
- Minimum Wages Act, 1948
- Payment Of Wages Act, 1936
- Employees' Compensation Act, 1923
- Payment Of Gratuity Act, 1972
- Payment Of Bonus Act, 1965
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976 And Equal Remuneration Rules, 1976
- The Child and Adolescent Labour (Prohibition And Regulation) Act, 1986
- Apprentices Act, 1961

**The Government of India has promulgated four labour Codes namely Code of Wages 2019, The Code on Social Security, 2020, The Industrial Relations Code, 2020 and Occupational Safety, Health and Working Conditions Code, 2020 which consolidated 29 central Labour laws. All these codes have received the assent of President of India but none of them has been made effective till date. Brief descriptions of each of the codes are given below:**

#### **Code of Wages, 2019**

The Code aims to consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. It received the assent of President of India on August 08, 2019. The Code contains procedure for fixing minimum wage, limit for fines and deductions in wages, minimum and maximum bonus, calculation of allocable and available surplus, as well as gender neutral consideration in fixing wages. The Code has given the power to Central Government to fix a “floor wage” and the State governments cannot fix any minimum wage less than the “floor wage”. It amalgamates and subsumes four imperative labour laws - the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The date of implementation of the Code is yet to be notified.

#### **The Code on Social Security, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code subsumes nine (9) labour laws relating to social security, namely, the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine-Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers Social Security Act, 2008.

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The Code aims to provide better social security benefits such as provident fund, insurance and gratuity to workers. It extends the reach of the Employees' State Insurance Corporation and the Employees' Provident Fund Organization (which regulate benefits such as provident fund, insurance, pension, etc.) to the workers in the unorganized sector and the platform and gig workers. The Code further stipulates gratuity benefit for fixed term employees without any condition for minimum service period as envisaged under the current regime.

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

This Code received the assent of President of India on September 28, 2020. The Code aims to streamline the laws regulating industrial disputes and trade unions in India. For the benefit of the employers, the Code has introduced various aspects such as increasing the threshold of workers to three hundred (300) for obtaining the consent of the concerned government in case of lay off, retrenchment or closure of the establishment, notice of change not required to be given subject to the conditions stipulated in the Code, increasing the wage threshold to INR 18,000 (Indian Rupees Eighteen Thousand) for exclusion from the definition of worker, etc. The Code subsumes three labour laws relating to industrial relations, namely, the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.

### **Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) is one of new labor codes that will consolidate the bulk of labor legislation in India and streamline labor compliance besides expanding the social security net for workers. This Code received the assent of President of India on September 28, 2020.

New establishments covered by the OSH Code must register themselves (within 60 days of commencement of the Code) with registering officers appointed by the appropriate government. Establishments already registered under any other federal law will not be required to register again. Rules to implement the Code are expected to be finalized in the next few weeks.

Every employer is directed to undertake the following obligations by the OSH Code:

- Ensure that the workplace is free from hazards can cause injury or occupational disease to the employees and comply with the OSH Code and the government's directions on the same;
- Provide free annual health examination or testing, free of cost, to certain classes of employees;
- Provide and maintain, as reasonably practical, a working environment that is safe and without risk to the health of the employees;
- Issue letters of appointments to employees; and
- Ensure that no charge is levied on any employee for maintenance of safety and health at workplace, including the conduct of medical examination and investigation for the purpose of detecting occupational diseases.

Further, the Code directs employers with respect to factories, mines, dock work, building and other construction work, or plantations to ensure: (i) safety arrangements in the workplace and absence of risk to health in connection with the use, storage, and transport of articles and substances; (ii) provision of such information, instruction, training, and supervision as are necessary to ensure the health and safety of all employees at work, etc. This Code shall subsume more than 10 labour laws including Factories Act 1948, Contract Labour Act 1970 and Mines Act 1952.

## **B. CORPORATE AND COMMERCIAL LAWS**

### **The Companies Act, 2013**

The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **SEBI REGULATIONS**

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

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## **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

## **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

## **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

## **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

## **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

## **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

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

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

## **C. TAX LAWS**

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

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **The Central Goods and Services Tax Act, 2017**

The Act received assent of the President on 12<sup>th</sup> April 2017 and came into force from 1<sup>st</sup> July 2017. This law has replaced many indirect tax laws that previously existed in India such as Service tax, Central Excise Act, Entry Tax, Octroi, Additional customs duty and other draconian indirect taxes.



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Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

Therefore, in addition to the CGST Act, the company has to comply with the requirements of State GST laws as well in which it has operations.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

#### **Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1976**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional 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 this Act (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.

### **D. FOREIGN TRADE REGULATIONS**

#### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992 [herein after FTDR], provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTDR, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTDR read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

#### **Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 [last amended on September 10, 2021]. The RBI has also issued a Master Direction on Export of Goods and Services dated

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January 01, 2016. The export is governed by the provisions contained in this Master Direction and the Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

#### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

#### **E. INTELLECTUAL PROPERTY LAWS**

##### **The Trademarks Act, 1999 (“Trademarks Act”)**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

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## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was originally established in Year of 2003 as a partnership firm named as 'M/s H.M. Engineers' under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as "H. M. Electro Mech Limited" under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018.

We started this business in year 2003 in the form of a partnership firm namely M/s H M Engineers. The initial partners of the firm were Mr. Mahendra Ramabhai Patel, Mr. Dipak Padmakant Pandya, Mrs. Mita Dipak Pandya and Mrs. Varsha Mahendra Patel. Later, in year 2017 another four partners were added to the firm namely Suhani Swapnil Patel, Pinal Mahendra Patel, Harshal Mahendra Patel and Twinkal Nitinbhai Dhorajia [present name being Twinkal Sagarkumar Paneliya] and in the same year the name of the firm was changed to M/s H M Electro Mech. In year 2018 the firm was converted into a public limited company with the name M/s H M Electro Mech Limited vide Certificate of Incorporation dated 24<sup>th</sup> April 2018. Over the journey of 15 years from 2003 to 2018 i.e. till the firm was converted into company, we had been working as Electro Mechanical Contractor for water supply & waste water treatment and pumping machinery installation works in pump house of Government Turnkey Projects

Mr. Mahendra Ramabhai Patel, Mr. Dipak Padmakant Pandya, Mrs. Mita Dipak Pandya and Mrs. Varsha Mahendra Patel are the promoters of our company. Our Promoters namely Mr. Mahendra Ramabhai Patel and Mr. Dipak Padmakant Pandya have more than 20 years of experience in the engineering industry. Further our promoters Mrs. Mita Pandya and Mrs. Varsha Patel carry extensive experience of more than 15 years in the field of handling management and administration verticals of the company. Prior to the incorporation of our Company, all our Promoters were associated with M/s. H M Engineers, a partnership firm engaged in the business of Electro Mechanical Contract for water supply & waste water treatment and pumping machinery installation works in pump house of Government Turnkey Projects. etc., which was later converted into our Company during the year 2018. Mr. Mahendra Ramabhai Patel and Mr. Dipak Padmakant Pandya along with our management team are responsible for identifying the projects in which the company should participate and make sure that the selected projects are related to our business. Our Promoters are the guiding force behind the success of our company. We believe the stability of our management team and the industry experience brought on by our individual Promoters will enable us to continue to take advantage of future market opportunities and expand into newer markets.

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories.

Our company is ISO 9001:2015 certified and approved Electrical contractor in Class 'A' (highest category for Electrical Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) and Class 'AA' (highest category for EPC Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) with Irrigation division of Government of Gujarat. The Company is an approved electrical contractor with State Government of Rajasthan also under Indira Gandhi Nahar Pariyojana, Bikaner. Our Company is authorized by Government of Gujarat Energy and Petrochemicals Department to carry out Electrical Installation Works in the Gujarat State.

### REGISTERED OFFICE:

Registered Office of the Company is presently situated at 305, Ashram Avenue, B/H. Kochrab Ashram, Paldi. Ahmedabad, Gujarat, India, 380006. The Registered office of our Company has remained same since incorporation.

### KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

For Key Awards, Certifications, Accreditations please refer to the section "Business Overview" on Page no 100 of this Draft Red Herring Prospectus.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

#### AUTHORIZED SHARE CAPITAL

The following changes have been made in the Authorized Capital of our Company since inception:

Date of Amendment	Particulars
On Incorporation	Authorized Share Capital of ₹ 1000.00 Lakhs divided into 10000000 (One Crore) Equity Shares of ₹ 10/-each.
February 26, 2024	The Authorised Share Capital increased from ₹ 1000.00 Lakhs divided into 10000000 (One Crore) equity shares of ₹ 10/- each to ₹ 1500.00 Lakhs divided into 15000000 (One Crore Fifty Lakh) Equity Shares of ₹10/- each.

#### MAJOR EVENTS

Below are some of the significant events in the company since its incorporation.

Year	Key Events/Milestone/ Achievement
2018-19	Our company, originally established as a partnership firm under the name 'M/s H.M. Engineers,' underwent a transition to become a public limited entity known as 'H.M. Electro Mech Limited' under the provisions of the Companies Act, 2013, as evidenced by the Certificate of Incorporation dated April 24, 2018.
2021-22	Our company reached a significant milestone, attaining a Revenue from Operations of ₹ 60 Crores.
2022-23	Our company achieved another milestone, attaining a Revenue from Operations of ₹ 101 Crores.

#### OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page no. 100, 87 and 166 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 142 and 55 respectively of this Draft Red Herring Prospectus.

#### RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity or debt, please see the section entitled “*Capital Structure*” and “*Restated Financial Information*” on page no. 55 and 164 respectively of this Draft Red Herring Prospectus.

#### DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### SUBSIDIARIES/HOLDINGS AND JOINT VENTURES OF THE COMPANY

Our company does not have any Subsidiaries/Holdings as on date of filing Draft Red Herring Prospectus.

Except disclosed under Chapter titled “*Business Overview*” on page no. 100 of this Draft Red Herring Prospectus, our company has not entered into any Joint ventures other than those entered into the ordinary course of business.

#### INJUNCTION AND RESTRAINING ORDER

Our company is not under any injunction or restraining order, as on date of filing of this Draft Red Herring Prospectus.

#### MANAGERIAL COMPETENCE

For managerial Competence, please refer to the section “*Our management*” on Page no. 142 of this Draft Red Herring Prospectus.

#### MATERIAL ACQUISITIONS / AMALGAMATIONS / MERGERS / REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS

There has been no Material Acquisitions/Amalgamations/Mergers/Revaluation of Assets/Divestment of Business/Undertaking by our company since incorporation.

#### TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY

As on the date of filing of this Draft Red Herring Prospectus, the total numbers of equity shareholders of our company are 8 (Eight). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” at page no. 55 of this Draft Red Herring Prospectus.

#### MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

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The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

*1. To construct, execute, contract, design, plan, carry out, equip, erect, demolish, undertake, recreate, remodel, acquire, establish, prepare, estimate, supply, support, maintain, operate, hire, exchange, improve, work, develop, sub contract, administer, manage, control and oversee the work related to buildings, houses, other construction and infrastructure works including works of roads, shipyards, docks, piers, wharves, earthworks, serial runways, and hangers, hydropower station, canals, bridges, airports, reservoirs, embankments, irrigations, reclamation, sanitation, water / gas / oil pipelines, tanks, culverts, ports, power plants, railways, tramways, sewage, harbours, tanks, effluent treatment plants, sprints, drains, gardens, dams, wells, bores, hospital, mills, depots, vehicle stands, clubs, reading rooms, schools, playgrounds, places of worship, parks, dairy farms, electronic lights, power supply works, hotels, restaurants, cold storage, warehouses, cinema and other commercial centers, public or private utility or any other structural work of any kind, whether of Government, Bodies Corporate or any entity.*

*2. To carry on any work related to the business of the Civil works of any kind or related to restoration works, and any type of electrical and mechanical work, dealers of Machinery parts, Pumps, Electric Motors, C.I.pipes, valves, Electrical goods, Diesel engine and their accessories.*

#### **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on the date of filing this Draft Red Herring Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Draft Red Herring Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Except as disclosed under the Section titled “*Business Overview*” at page no. 100 of this Draft Red Herring Prospectus, Our Company has not entered into any joint venture agreement as on the date of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Draft Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Draft Red Herring Prospectus.

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

In accordance with Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. Our Company currently has 6 (Six) directors on our Board, of which 3 (Three) are Executive Director, 1 (One) is Non-Executive Directors and 2 (Two) are Independent Directors.

Dipak Padmakant Pandya	-	Chairman and Managing Director
Mahendra Ramabhai Patel	-	Whole Time Director
Mita Dipak Pandya	-	Whole Time Director
Bhavisha Kunal Chauhan	-	Additional Independent Director
Aayush Kamleshbhai Shah	-	Additional Independent Director
Harshal Mahendra Patel	-	Additional Non-Executive Director

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Details of Director		Other Directorships/Designated Partner
1.	<b>Name</b>	Dipak Padmakant Pandya	NIL
	<b>DIN</b>	02188199	
	<b>Father's Name</b>	Padmakant Ochhavlal Pandya	
	<b>Address</b>	25-a, Nutan Society, Nr. Suvidha Shopping Centre, Paldi, Ahmedabad, Gujarat-380007	
	<b>Date of Birth</b>	March 25, 1963	
	<b>Age</b>	61 Years	
	<b>Designation</b>	Chairman and Managing Director	
	<b>Status</b>	Executive	
	<b>Occupation</b>	Business	
	<b>Experience</b>	He is having more than 20 years of experience in electro-mechanical Instrumentation.	
	<b>Qualifications</b>	He holds degree of Bachelor of Engineering in Mechanical from Sardar Patel University, Gujarat.	
	<b>Nationality</b>	Indian	
	<b>Date of Appointment</b>	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Whole-time Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from whole time director to the position of Managing director w.e.f January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of Directors vide their Meeting held on June 11, 2024.	
<b>Term of Appointment and date of expiration of current term of office</b>	Three years with effect from January 29, 2024 to January 28, 2027		
	<b>Name</b>	Mahendra Ramabhai Patel	NIL

Sr. No.	Details of Director		Other Directorships/Designated Partner
2.	<b>DIN</b>	02190228	
	<b>Father's Name</b>	Ramabhai Lallubhai Patel	
	<b>Address</b>	F-1 Vedant Shriji apartment, CIMS Hospital Road, Nr- B R Park Science City Road, Sola Ahmedabad Gujarat-380060	
	<b>Date of Birth</b>	June 23 1967	
	<b>Age</b>	56 Years	
	<b>Designation</b>	Whole Time Director	
	<b>Status</b>	Executive	
	<b>Occupation</b>	Business	
	<b>Experience</b>	He is having more than 20 years of experience in electro-mechanical Instrumentation.	
	<b>Qualifications</b>	He has completed his secondary examination from Gujarat Secondary Education Board in year 1982.	
	<b>Nationality</b>	Indian	
	<b>Date of Appointment</b>	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Managing Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from managing director to the position of whole-time director effective from January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of Directors vide their Meeting held on June 11, 2024.	
<b>Term of Appointment and date of expiration of current term of office</b>	Three years with effect from January 29, 2024 to January 28, 2027		
3.	<b>Name</b>	Mita Dipak Pandya	Indcon Panels Private Limited
	<b>DIN</b>	07556372	
	<b>Father's Name</b>	Dinkerray Chandulal Shukla	
	<b>Address</b>	25-a, Nutan Society, Nr. Suvidha Shopping Centre, Paldi, Ahmedabad, Gujarat-380007	
	<b>Date of Birth</b>	December 10, 1965	
	<b>Age</b>	58 Years	
	<b>Designation</b>	Whole Time Director	
	<b>Status</b>	Executive	
	<b>Occupation</b>	Business	
	<b>Experience</b>	She is having more than 15 years of experience in office management work.	
	<b>Qualifications</b>	She holds degree of Bachelor of Science degree in Home Science from Sardar Patel University in year 1986.	
	<b>Nationality</b>	Indian	
<b>Date of Appointment</b>	She was a Non-Executive Director of the company since incorporation of the company i.e. April 24,		

Sr. No.	Details of Director		Other Directorships/Designated Partner
		2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on June 12, 2024, she was re-designated and appointed as a Whole Time Director of the Company with effect from June 11, 2024, for a period of 3 (three) years.	
	<b>Term of Appointment and date of expiration of current term of office</b>	Three years with effect from June 11, 2024 to June 10, 2027	
4.	<b>Name</b>	Bhavisha Kunal Chauhan	<ul style="list-style-type: none"> <li>➤ Piotex Industries Limited</li> <li>➤ Fonebox Retail Limited</li> </ul>
	<b>DIN</b>	10092854	
	<b>Fathers' Name</b>	Kamleshkumar Girdharlal khakhkhar	
	<b>Address</b>	37, Sahjanand Park, opp. Vaibhav Hall, Near Royal Enfield Showroom, Ghodasar – 380050, Gujarat	
	<b>Date of Birth</b>	April 13, 1993	
	<b>Age</b>	31 years	
	<b>Designation</b>	Additional Independent Director	
	<b>Status</b>	Non-Executive	
	<b>Occupation</b>	Service	
	<b>Experience</b>	She is having professional experience of more than 8 years in various Security market issues such as IPOs, FPOs, Bonus Issue, Migration, Voluntary Liquidation of Private Company	
	<b>Qualifications</b>	She is a member of Institute Company Secretaries of India. She also holds degree of Bachelor of Commerce from Gujarat University in the year 2014.	
	<b>Nationality</b>	Indian	
	<b>Date of Appointment</b>	She was appointed as an Additional Independent Director of the company w.e.f. June 27, 2024.	
	<b>Term of Appointment and date of expiration of current term of office</b>	She holds office up to the ensuing Annual General Meeting and she is not liable to retire by rotation.	
5.	<b>Name</b>	Aayush Kamleshbhai Shah	<ul style="list-style-type: none"> <li>➤ Katex Exim Limited</li> <li>➤ Siddhi Cotspin Limited</li> <li>➤ DCG Cables &amp; Wires Limited</li> <li>➤ IEL Limited</li> <li>➤ Fonebox Retail Limited</li> </ul>
	<b>DIN</b>	10149440	
	<b>Fathers' Name</b>	Shantilal Ramdas Patel	
	<b>Address</b>	901, Gulmohar Heights, Opp. Madhur Hall, Anand Nagar Cross road, Satellite, Ahmedabad 380015 Gujarat	
	<b>Date of Birth</b>	September 26, 1991	
	<b>Age</b>	32 years	
	<b>Designation</b>	Additional Independent Director	
	<b>Status</b>	Non-Executive	
	<b>Occupation</b>	Service	
	<b>Experience</b>	He is having professional experience of more than 8 years in the area of Corporate Law, Security law, Capital market, Corporate Governance, FEMA Compliances, Listing Process, liaison with Regulatory authorities as well as Various Compliances under Financial Services.	



Sr. No.	Details of Director		Other Directorships/Designated Partner
	<b>Qualifications</b>	He is a member of Institute Company Secretaries of India. He also holds Degree of Bachelor of Commerce from Gujarat University in the year 2013 and Degree of Bachelor of Law (L.L.B) from Gujarat University in the year 2018.	
	<b>Nationality</b>	Indian	
	<b>Date of Appointment</b>	He was appointed as an Additional Independent Director of the company w.e.f. June 27, 2024.	
	<b>Term of Appointment and date of expiration of current term of office</b>	He holds office up to the ensuing Annual General Meeting and he is not liable to retire by rotation.	
6.	<b>Name</b>	Harshal Mahendra Patel	NIL
	<b>DIN</b>	10350341	
	<b>Fathers' Name</b>	Mahendra Ramabhai Patel	
	<b>Address</b>	F-1 Vedant Shreeji, CIMS Hospital Road, Sola Ahmedabad Gujarat-380060	
	<b>Date of Birth</b>	April 30, 1993	
	<b>Age</b>	30 years	
	<b>Designation</b>	Additional Non-Executive Director	
	<b>Status</b>	Non-Executive	
	<b>Occupation</b>	Business	
	<b>Experience</b>	He is having more than 5 years of experience as civil, electro-mechanical & Instrumental works.	
	<b>Qualifications</b>	He has completed a diploma in Mechanical Engineering from Gujarat Technological University in the year 2017.	
	<b>Nationality</b>	Indian	
	<b>Date of Appointment</b>	He was appointed as an additional director of the company with effect from October 21, 2023.	
	<b>Term of Appointment and date of expiration of current term of office</b>	Hold the office as an additional director of the company with effect from October 21, 2023.	

As on the date of the Draft Red Herring Prospectus:

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers
- B. None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **Dipak Padmakant Pandya, Chairman and Managing Director**

Dipak Padmakant Pandya aged 61 years, is the Chairman and Managing Director and Promoter of our Company. He holds degree of Bachelor of Engineering in Mechanical from Sardar Patel University, Gujarat. He is having more than 20 years of experience in electro-mechanical Instrumentation. He looks Projects, Operations & Maintenance and HR department of the company.

#### **Mahendra Ramabhai Patel, Whole Time Director**

Mahendra Ramabhai Patel, aged 56 years, is Whole Time Director and Promoter of our Company. He has completed his secondary examination from Gujarat Secondary Education Board in year 1982. He is having more than 20 years of experience in electro-mechanical Instrumentation. He looks Overall Tendering, Designing & Engineering and Procurement department of the company.

#### **Mita Dipak Pandya, Whole Time Director**

Mita Dipak Pandya, aged 58 years, is the Whole Time Director of our Company. She holds degree of Bachelor of Science degree in Home Science from Sardar Patel University in year 1986. She is having more than 15 years of experience in office management work.

#### **Bhavisha Kunal Chauhan, Additional Independent Director**

Bhavisha Kunal Chauhan aged 31 years is an Additional Independent Director of the company. She holds degree of Company Secretary from Institute Company Secretaries of India, Degree of Bachelor of Commerce from Gujarat University. She is having professional experience of more than 8 years in various Security market issues such as IPOs, FPOs, Bonus Issue, Migration, Voluntary Liquidation of Private Company.

#### **Aayush Kamleshbhai Shah, Additional Independent Director**

Aayush Kamleshbhai Shah aged 32 years is an Additional Independent Director of the company. He is a member of Institute Company Secretaries of India. He also holds Degree of Bachelor of Commerce from Gujarat University in the year 2013 and Degree of Bachelor of Law (L.L.B) from Gujarat University in the year 2018. He is having professional experience of more than 8 years in the area of Corporate Law, Security law, Capital market, Corporate Governance, FEMA Compliances, Listing Process, liaison with Regulatory authorities as well as Various Compliances under Financial Services.

#### **Harshal Mahendra Patel, Additional Non-Executive Director**

Harshal Mahendra Patel, aged 30 years, is an Additional non-executive Director of our Company. He has completed a diploma in Mechanical Engineering from Gujarat Technological University in the year 2017. He is having more than 5 years of experience as civil, electro-mechanical & Instrumental works.

### **RELATIONSHIP BETWEEN THE DIRECTORS**

Except as disclosed below, there is no relationship between any of the Directors of our Company as on date of filling of Draft Red Herring Prospectus:

<b>Name and Designation of the Director</b>	<b>Relationship with Director</b>	<b>Name of relative</b>	<b>Designation held by relative</b>
Dipak Padmakant Pandya (Chairman and Managing Director)	Spouse	Mita Dipak Pandya	Whole Time Director
Mahendra Ramabhai Patel (Whole Time Director)	Son	Harshal Mahendra Patel	Additional Non-Executive Director
Mita Dipak Pandya (Whole Time Director)	Spouse	Dipak Padmakant Pandya	Chairman and Managing Director
Harshal Mahendra Patel	Father	Mahendra Ramabhai Patel	Whole Time Director

(Additional Director)	Non-Executive			
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#### **ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

#### **SERVICE CONTRACTS**

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

#### **BORROWING POWERS OF THE BOARD OF DIRECTORS**

Pursuant to a special resolution passed at an Extraordinary General Meeting of our Company held on December 12, 2022 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company are authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 250 crores.

#### **COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR AND WHOLE TIME DIRECTORS ARE AS FOLLOWS: -**

<b>Name</b>	<b>MAHENDRA RAMABHAI PATEL</b>	<b>DIPAK PADMAKANT PANDYA</b>	<b>MITA DIPAK PANDYA</b>
<b>Designation</b>	Whole Time Director	Chairman and Managing Director	Whole Time Director
<b>Date of Appointment/ Change in Designation</b>	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extraordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Managing Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from managing director to the position of whole-time director effective from January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of Directors vide their Meeting held on June 11, 2024.	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extraordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Whole-time Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from whole time director to the position of Managing director w.e.f January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of Directors vide their Meeting held on June 11, 2024.	She was a Non-Executive Director of the company since incorporation of the company i.e. April 24, 2018. Thereafter, pursuant to the approval of members in the Extraordinary General Meeting held on June 12, 2024, she was re-designated and appointed as a Whole Time Director of the Company with effect from June 11, 2024, for a period of 3 (three) years.

Name	MAHENDRA RAMABHAI PATEL	DIPAK PADMAKANT PANDYA	MITA DIPAK PANDYA
Period	Three years with effect from January 29, 2024 to January 28, 2027	Three years with effect from January 29, 2024 to January 28, 2027	Three years with effect from June 11, 2024 to June 10, 2027
Salary	Not exceeding Rs 6 lakhs per month	Not exceeding Rs. 6 lakhs per month	Not exceeding Rs. 4 lakhs per month
Bonus	Nil	Nil	Nil
Perquisite/Benefits	Nil	Nil	Nil
Commission	-	-	-
Compensation/ remuneration paid during the F.Y. 2023-24	₹48.00 lakhs	₹48.00 lakhs	₹48.00 lakhs

#### SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Till date, our Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. Further, The Board of Directors of the Company at their meeting held on February 26, 2024, have decided for payment of a sum not exceeding Rs. 20,000 as the sitting fees for each meeting of the Board or committee thereof, attended by the non-executive directors, for all, the meetings of the board and/or committees thereof held since April,2023.

#### SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Directors	No. of Equity Shares held	Designation
1.	Dipak Padmakant Pandya	25,00,000	Chairman and Managing Director
2.	MahendraRamabhai Patel	25,00,000	Whole Time Director
3.	Mita Dipak Pandya	24,75,000	Whole Time Director
4.	Bhavisha Kunal Chauhan	Nil	Additional Independent Director
5.	Aayush Kamleshbhai Shah	Nil	Additional Independent Director
6.	Harshal Mahendra Patel	10,000	Additional Non-Executive Director

#### INTEREST OF DIRECTORS

All the non-executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company and also payment of interest on unsecured loan and lease rent.

Except as stated under “Annexure – IX -Restated Related Party Transactions “under Chapter titled “Restated Financial Information” beginning on page 164 of the Draft Red Herring Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our directors are interested directly or indirectly.

#### CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
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Twinkal Paneliya	Sagarkumar	July 12, 2021	Appointment	She was appointed as an Additional Independent Director of the company with effect from July 12, 2021.
Twinkal Paneliya	Sagar Kumar	November 29, 2021	Change in Designation	She was regularised as an Independent Director of the company, for a period of 5 (five) years with effect from July 12, 2021
Neetu Jalan		July 01, 2022	Resignation	She resigned from the designation of Director w.e.f. July 01, 2022 due to her unavoidable personal reasons.
Suhani Swapnil Patel		July 15, 2022	Appointment	She was appointed as an Additional Director of the company with effect from July 15, 2022.
Pinal Mahendra Patel		July 15, 2022	Appointment	She was appointed as an Additional Director of the company with effect from July 15, 2022.
Suhani Swapnil Patel		September 30, 2022	Change in Designation	She was regularised as Director of the company, w.e.f. September 30, 2022.
Pinal Mahendra Patel		September 30, 2022	Change in Designation	She was regularised as Director of the company, w.e.f. September 30, 2022.
Suhani Swapnil Patel		October 21, 2023	Resignation	She resigned from the designation of Independent Director w.e.f. October 21, 2023.
Pinal Mahendra Patel		October 21, 2023	Resignation	She resigned from the designation of Independent Director w.e.f. October 21, 2023.
Harshal Mahendra Patel		October 21, 2023	Appointment	He was appointed as an Additional Director of the company with effect from October 21, 2023.
Mahendra Patel	Ramabhai	January 29, 2024	Change in Designation	He was re-designated from managing director to the position of Whole-time director w.e.f. January 29, 2024.
Dipak Padmakant Pandya		January 29, 2024	Change in Designation	He was re-designated from whole time director to the position of Managing director w.e.f. January 29, 2024.
Varsha Mahendra Patel		January 29, 2024	Resignation	She resigned from her directorship w.e.f. 29 January, 2024.
Kinjalben Patel		February 2, 2024	Resignation	She resigned from her directorship w.e.f. February 2, 2024.
Kinjalben Patel		February 26, 2024	Appointment	She was appointed as an Independent Director of our company w.e.f. 26 February, 2024.
Kinjalben Patel		June 23, 2024	Resignation	She resigned from her directorship w.e.f. June 23, 2024.
Twinkal Paneliya	Sagarkumar	June 27, 2024	Resignation	She resigned from her directorship w.e.f. June 27, 2024.
Bhavisha Kunal Chauhan		June 27, 2024	Appointment	She was appointed as an Additional Independent Director of our company w.e.f. June 27, 2024.
Aayush Shah	Kamleshbhai	June 27, 2024	Appointment	He was appointed as an Additional Independent Director of our company w.e.f. June 27, 2024.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our Company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our

Company endeavours to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### **Composition of Board of Directors**

Currently our Board consists of 6 (Six) directors, out of which 3 (Three) are Executive Directors, 1 (One) is Non-Executive Directors and 2 (Two) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>	<b>DIN</b>
1.	Dipak Padmakant Pandya	Chairman and Managing Director	02188199
2.	MahendraRamabhai Patel	Whole Time Director	02190228
3.	Mita Dipak Pandya	Whole Time Director	07556372
4.	Bhavisha Kunal Chauhan	Additional Independent Director	10092854
5.	Aayush Kamleshbhai Shah	Additional Independent Director	10149440
6.	Harshal Mahendra Patel	Additional Non-Executive Director	10350341

### **Constitution of Committees**

Our company has constituted the following Committees of the Board;

- 1. Audit Committee**
- 2. Nomination and Remuneration Committee**
- 3. Stakeholder Relationship Committee**
- 4. Corporate Social Responsibility Committee**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

#### **1. Audit Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on June 27, 2024 re-constituted the Audit Committee of its Board of Directors.

The present constitution of the Audit Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Aayush Kamleshbhai Shah	Chairperson	Additional Independent Director
Dipak Padmakant Pandya	Member	Managing Director
Bhavisha Kunal Chauhan	Member	Additional Independent Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

#### **Terms of Reference**

The Role of Audit Committee not limited to but includes:

1. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
2. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
3. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
  - a. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management

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- c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
4. Approval or any subsequent modification of transactions of the Company with related party;
- Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;
- Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;
- Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
5. Reviewing, with the management, and monitoring 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;
  6. Scrutiny of Inter-corporate loans and investments;
  7. Reviewing and discussing 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;
  8. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
  9. Valuation of undertakings or assets of the company, where ever it is necessary;
  10. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
  11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  12. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
  13. Carrying out any other function as assigned by the Board of Directors from time to time.

#### **Review of Information**

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Internal Auditor.
- vi. Annual statement of funds utilized for purpose other than those stated in the offer document/ prospectus.

#### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Quorum and Meetings**

The audit committee shall meet as and when required to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall be present at the Meeting.

### **2. Nomination and Remuneration Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on June 27, 2024 re-constituted the Nomination and Remuneration Committee of its Board of Directors.

The present constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Aayush Kamleshbhai Shah	Chairperson	Additional Independent Director
Harshal Mahendra Patel	Member	Additional Non-Executive Director
Bhavisha Kunal Chauhan	Member	Additional Independent Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

### **Terms of reference**

#### **Role of Nomination and Remuneration Committee shall include but not limited to: -**

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iv. 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 and shall carry out evaluation of every director's performance.

### **Quorum and Meetings**

The Committee is required to meet at least once a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

### **3. Stakeholder Relationship Committee**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on June 27, 2024 Re-constituted Stakeholder Relationship Committee.

The constitution of the Stakeholder Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Bhavisha Kunal Chauhan	Chairperson	Additional Independent Director
Mahendra Ramabhai Patel	Member	Whole Time Director
Aayush Kamleshbhai Shah	Member	Additional Independent Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.



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## Terms of Reference

### Role of Stakeholder Relationship Committee shall include: -

To supervise and ensure;

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- ii. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- iii. Issue duplicate/split/consolidated share certificates;
- iv. Dematerialization/Rematerialization of Share;
- v. Review of cases for refusal of transfer / transmission of shares and debentures;
- vi. Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; Provided that inability to resolve or consider any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of Section 178 of Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof.
- vii. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

### Quorum and Meetings

The Stakeholders Relationship Committee shall meet as and when require to discuss and approve the items included in its role. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

## 4. Corporate Social Responsibility Committee

The Board of Directors of our Company has, in pursuance to provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on June 27, 2024 re-constituted Corporate Social Responsibility Committee.

The constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Aayush Kamleshbhai Shah	Chairperson	Additional Independent Director
Dipak Padmakant Pandya	Member	Managing Director
Harshal Mahendra Patel	Member	Additional Non-Executive Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

## Terms of Reference

### Role of Corporate Social Responsibility Committee shall include: -

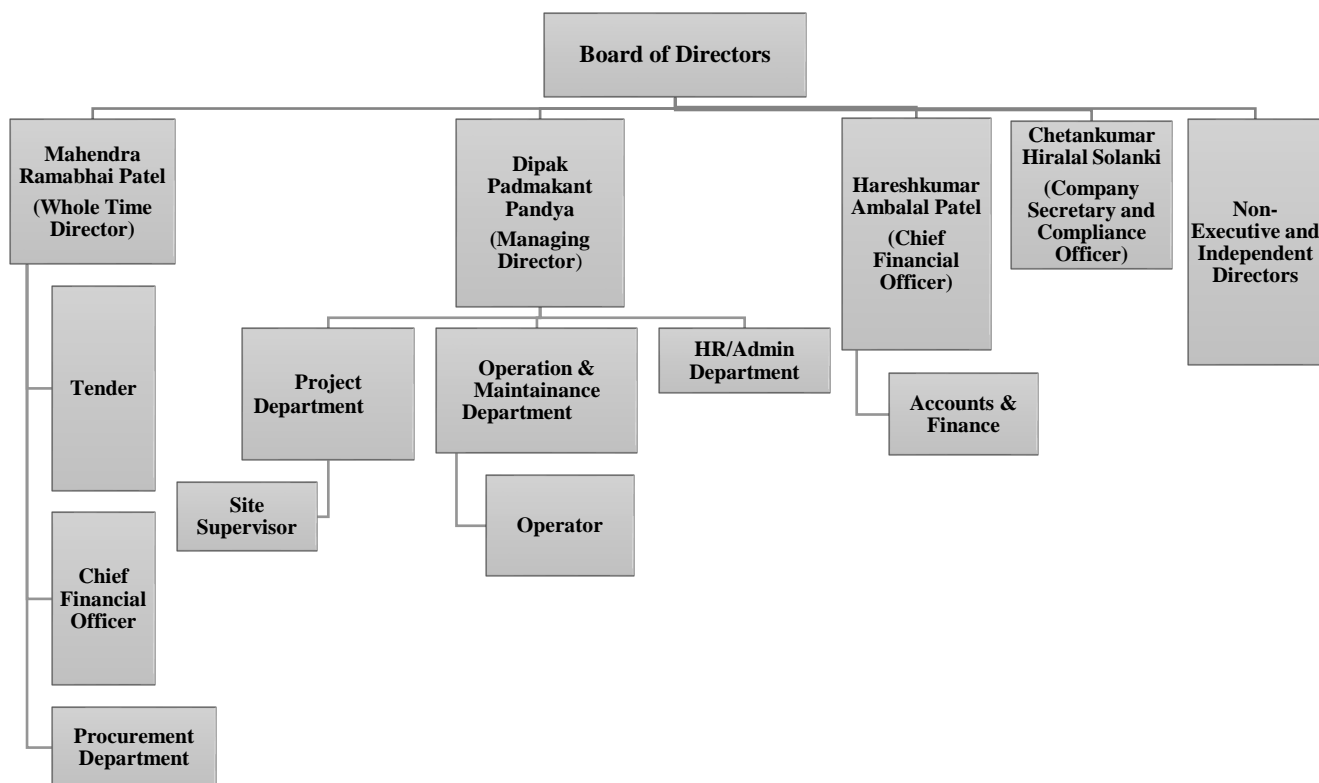
- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be under taken by the Company as per the Companies Act, 2013;
- ii. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- iii. To monitor the CSR policy of the Company from time to time;
- iv. Any other matter as CSR Committee may deem appropriate after approval of Board of Directors or as may be directed by Board from time to time.

### Quorum

The quorum necessary for a meeting of the Corporate Social Responsibility Committee is one third of its total members (any fraction contained in that one-third be rounded off as one) or 2 members, whichever is higher.

## MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company as follows:



## OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Hareshkumar Ambalal Patel	He has completed the course of training in draughtsman(mechanical) from Bhawan's Shri, C.T. Sutaria Industrial Training Institute, Dakor, National council for vocational training.	-	10.46
<b>Designation</b>	Chief Financial Officer			
<b>Date of Appointment</b>	October 17, 2018			
<b>Overall Experience</b>	He is having more than 15 years of experience in the field of finance, accounts and projects related activities.			
<b>Name</b>	Chetankumar Hiralal Solanki	He is a member of The Institute of Company Secretaries of India since year 2017	Shreenathji Rasayan Private Limited	0.60
<b>Designation</b>	Company Secretary and Compliance Officer			
<b>Date of Appointment</b>	August 14, 2023			

Name, Designation and Date of Joining	Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Overall Experience</b>	He is having more than 2 years of experience in the field of secretarial compliances.		

#### OUR SENIOR MANAGEMENT PERSONNEL

There is no Senior Managerial Personnel of our Company.

#### BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT

Currently, Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel and Senior Management. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee / Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

#### CHANGES IN THE KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT

Except as mentioned below, there are no other changes in the Key Management Personnel or Senior Management other than directors in the last three years preceding the date of filing this Draft Red Herring Prospectus:

Name of Key Managerial Personnel or Senior Management	Date of Event	Nature of Event	Reason for the changes
Sanjoly Alkesh Jalan	August 12, 2023	Resignation	She resigned from the office of company secretary of the Company effective from August 12, 2023.
Chetan Kumar Hiralal Solanki	August 14, 2023	Appointment	He was appointed as Company Secretary and Compliance Officer of the company w.e.f. August 14, 2023.

#### EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of this Draft Red Herring Prospectus, our company does not have any ESOP Scheme for its employees and/or its directors.

#### RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL AND BOARD OF DIRECTORS

Except as stated herein below, none of our KMPs are having any relation with the Board of Directors of the Company:

Name and designation of the KMP	Name and designation of the related Director	Relationship between the two
Dipak Padmakant Pandya Chairman and Managing Director	Mita Dipak Pandya, Whole Time Director	Spouse
Mahendra Ramabhai Patel Whole-time Director	Harshal Mahendr Patel, Additional Non-executive Director	Mahendra Patel is the father of Harshal Mahendra Patel
Mita Dipak Pandya, Whole Time Director	Dipak Padmakant Pandya Chairman and Managing Director	Spouse

#### PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.

- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- No benefits are granted upon termination from employment other than statutory benefits provided by our company and further, our Company has appointed certain Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and Compliance officer for which our company has not executed any formal service contracts; although they have to abide by the terms of their appointment.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

The status of shareholding of the Key Managerial Personnel and Senior Management of our Company as on the date of this Draft Red Herring Prospectus is as follows:

<b>Sr. No.</b>	<b>Name of Key Management Personnel</b>	<b>No. Equity Shares held</b>	<b>Category/ Status</b>
1.	Dipak Padmakant Pandya	25,00,000	Chairman and Managing Director
2.	Mahendra Ramabhai Patel	25,00,000	Whole Time Director
3.	Mita Dipak Pandya	24,75,000	Whole Time Director
4.	Hareshkumar Ambalal Patel	Nil	Chief Financial Officer
5.	Chetankumar Hiralal Solanki	Nil	Company Secretary and Compliance Officer

#### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity or debt, please see the section entitled “*Capital Structure*” and “*Restated Financial Information*” on page no. 55 and 164 respectively of this Draft Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### **SUBSIDIARIES/HOLDINGS AND JOINT VENTURES OF THE COMPANY**

Our company does not have any Subsidiaries/Holdings and Joint Ventures as on date of filing Draft Red Herring Prospectus.

#### **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Draft Red Herring Prospectus.

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## OUR PROMOTERS AND PROMOTERS GROUP


Promoters of Our Company are:


1. Dipak Padmakant Pandya
2. Mahendra Ramabhai Patel
3. Varsha Mahendra Patel
4. Mita Dipak Pandya


For details of the Capital build-up of our Promoters in our Company, please refer chapter titled “*Capital Structure*” beginning on Page No. 55 of this Draft Red Herring Prospectus.


The details of our Promoters are as follows:

### INDIVIDUAL PROMOTERS

	<b>DIPAK PADMAKANT PANDYA</b> Dipak Padmakant Pandya aged 61 years, is the Chairman and Managing Director and Promoter of our Company. He holds degree of Bachelor of Engineering in Mechanical from Sardar Patel University, Gujarat. He is having more than 20 years of experience in electro-mechanical Instrumentation. He looks Projects, Operations & Maintenance and HR department of the company.
<b>Date of Birth</b>	March 25, 1963
<b>Age</b>	61 years
<b>PAN</b>	AGJPP6101C
<b>Educational Qualification</b>	He holds degree of Bachelor of Engineering in Mechanical from Sardar Patel University, Gujarat.
<b>Present Residential Address</b>	25-a, Nutan Society, Near Suvidha Shopping Centre, Paldi, Ahmedabad Gujarat-380007
<b>Position/posts held in the past</b>	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Whole-time Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from whole time director to the position of Managing director w.e.f January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of directors vide their Meeting held on June 11, 2024.
<b>Directorship held</b>	N/A
<b>Other Ventures</b>	N/A

	<b>MAHENDRA RAMABHAI PATEL</b>
	<p>Mahendra Ramabhai Patel, aged 56 years, is Whole Time Director and Promoter of our Company. He has completed his secondary examination from Gujarat Secondary Education Board in year 1982. He is having more than 20 years of experience in electro-mechanical Instrumentation. He looks Overall Tendering, Designing &amp; Engineering and Procurement department of the company.</p>
<b>Date of Birth</b>	June 23, 1967
<b>Age</b>	56 years
<b>PAN</b>	ABEPP0335Q
<b>Educational Qualification</b>	He has completed his secondary examination from Gujarat Secondary Education Board in year 1982.
<b>Present Residential Address</b>	F-1 Vedant Shriji apartment, CIMS Hospital Road, Near- B R Park, Science City Road, Sola, Ahmedabad, Gujarat-380060
<b>Position/posts held in the past</b>	Initially, he was appointed as an Executive Director of the company in the Promoter Category with effect from April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on October 29, 2018, he was re-designated and was appointed as a Managing Director of the Company with effect from October 17, 2018, for a period of 5 (five) years. At present he was re-designated from managing director to the position of whole-time director effective from January 29, 2024 and his term of Appointment was reduced from 5 (five) years to 3 (three) years pursuant to the approval of Board of directors vide their Meeting held on June 11, 2024.
<b>Directorship held</b>	N/A
<b>Other Ventures</b>	N/A

	<b>VARSHA MAHENDRA PATEL</b>
	<p>Varsha Mahendra Patel aged 53 years is a citizen of India. She has completed her secondary examination from Gujarat Secondary Education Board in year 1987. She is having more than 15 years of experience in the field of handling management and administration.</p>
<b>Date of Birth</b>	March 14, 1971
<b>Age</b>	53 years
<b>PAN</b>	ABEPP0336P
<b>Educational Qualification</b>	She has completed her secondary examination from Gujarat Secondary Education Board in year 1987.
<b>Present Residential Address</b>	F-1 Vedant Shriji apartment, CIMS Hospital Road, Near- B R Park, Science City Road, Sola, Ahmedabad, Gujarat-380060
<b>Position/posts held in the past</b>	Director
<b>Directorship held</b>	Indcon Panels Private Limited
<b>Other Ventures</b>	N/A

	<b>MITA DIPAK PANDYA</b>
	Mita Dipak Pandya, aged 58 years, is the Whole Time Director of our Company. She holds degree of Bachelor of Science degree in Home Science from Sardar Patel University in year 1986. She is having more than 15 years of experience in the field of handling management and administration.
<b>Date of Birth</b>	December 10, 1965
<b>Age</b>	58 Years
<b>PAN</b>	ALPPP6018F
<b>Educational Qualification</b>	She holds degree of Bachelor of Science degree in Home Science from Sardar Patel University in year 1986.
<b>Present Residential Address</b>	25-a, Nutan Society, Near Suvidha Shopping Centre, Paldi, Ahmedabad Gujarat-380007
<b>Position/posts held in the past</b>	She was a Non-Executive Director of the company since incorporation of the company i.e. April 24, 2018. Thereafter, pursuant to the approval of members in the Extra-ordinary General Meeting held on June 12, 2024, she was re-designated and appointed as a Whole Time Director of the Company with effect from June 11, 2024, for a period of 3 (three) years.
<b>Directorship held</b>	Indcon Panels Private Limited
<b>Other Ventures</b>	N/A

#### DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers, passport numbers, Aadhar card number and Driving Licence number of our Promoters are being submitted to BSE Limited, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Red Herring Prospectus with the Stock Exchange.

#### CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER

Since its incorporation, our company has maintained a stable foundation with eight initial members serving as subscribers to the Memorandum of Association. These individuals, acting as holders of equity shares, collectively hold the complete paid up share capital of the company comprising 1,00,00,000 [One crore only] Equity shares. Remarkably, these members have retained their shareholding from the inception of the company up to the date of filing this Draft Red Herring Prospectus.

There is no change in management of the company since its inception.

#### INTEREST OF OUR PROMOTERS

- Except as stated in “Annexure – IX - Restated Related Party Transactions” under section “Restated Financial Information” beginning from page no. 164 of this Draft Red Herring Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoter do not have any other interest in our business.
- Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “Annexure – IX - Restated Related Party Transactions” under section “Restated Financial Information” beginning from page no. 164 of this Draft Red Herring Prospectus.
- Our Promoters, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Draft Red Herring Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Draft Red Herring Prospectus.

- Except as otherwise as stated in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Draft Red Herring Prospectus in which Promoter is directly or indirectly interested.

#### **PAYMENT OF BENEFITS TO OUR PROMOTER**

Except as stated in the section “Annexure – IX - Restated Related Party Transactions” under section “Restated Financial Information” beginning from page no. 164 of this Draft Red Herring Prospectus, there has been no payment of benefits made to our Promoters or member of promoter group in the two years preceding the filing of this Draft Red Herring Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoter Directors or Promoters’ Group, towards remunerations as decided by Board of Directors.

#### **GUARANTEES**

Except as stated in the section under section “Restated Financial Information” beginning on page 164 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus

#### **CONFIRMATIONS**

Our Company and Promoters have confirmed that they have not been declared as wilful defaulters or Fraudulent Borrowers by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, Promoter group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, Promoter group or directors do not have direct or indirect relation with the companies, its Promoters and directors, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, our Promoters or directors are not a fugitive economic offender.

We and Our Promoters, Group Entities, and Companies promoted by the Promoter confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “Outstanding Litigation and Material Developments” appearing on page no. 181 of this Draft Red Herring Prospectus.

#### **DISASSOCIATION OF PROMOTER IN THE LAST THREE YEAR:**

Except mentioned below, none of our Promoters have disassociated himself/herself from our Company during the preceding three years.

Sr No.	Name of Promoter	Name of Disassociating Entities	Date of Disassociation	Reason for Disassociation
1.	Varsha Mahendra Patel	H.M. Electro Mech Limited	January 29, 2024	Cessation as Director

#### **RELATIONSHIP OF PROMOTER WITH EACH OTHER AND WITH OUR DIRECTORS**

Our Promoters are part of our board of directors. Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2(77) of the Companies Act, 2013.

Name	Designation	Relation
Dipak Padmakant Pandya	Chairman and Managing Director	He is spouse of Mita Dipak Pandya who is Whole Time Director of the Company.
Mahendra Ramabhai Patel	Whole Time Director	He is spouse of Varsha Mahendra Patel who is one of the Promoter of the Company.
Mahendra Ramabhai Patel	Whole Time Director	He is the Father of Harshal Mahendra Patel who is the Additional Director of the company.



Mita Dipak Pandya	Whole Time Director	She is spouse of Dipak Padmakant Pandya who is Chairman and Managing Director of the Company.
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#### OUR PROMOTER' GROUP

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter' Group:

##### a. Natural persons who are part of our Individual Promoter Group:

Relationship with Promoter	Dipak Padmakant Pandya	Mita Dipak Pandya
Father	Late Padmakant O Pandya	Dinkarbhair C Shukla
Mother	Late Virbala P Pandya	Late Bhartiben D Shukla
Spouse	Mita Dipak Pandya	Dipak Padmakant Pandya
Brother/s	-	Gaurav Yagnik
Sister/s	Minal Pandya	Sejal R Upadhyay
Daughter/s	Suhani Swapnil Patel	Suhani Swapnil Patel
Spouse's Father	Dinkarbhair C Shukla	Late Padmakant O Pandya
Spouse's Mother	Late Bhartiben D Shukla	Late Virbala P Pandya
Spouse's Brother/s	Gaurav Yagnik	-
Spouse's Sister/s	Sejal R Upadhyay	Minal Pandya

Relationship with Promoter	Mahendra Ramabhai Patel	Varsha Mahendra Patel
Father	Late Ramabhai Lallubhai Patel	Late Bhikhabhai Dayabhai Patel
Mother	Manekben Ramabhai Patel	Madhuben Bhikhabhai Patel
Spouse	Varsha Mahendra Patel	Mahendra Ramabhai Patel
Brother/s	Late Pravinbhai Ramabhai Patel	Ashokbhai Bhikhabhai Patel
Sister/s	Sushilaben Ambalal Patel	Geetaben Sureshbhai Patel
	Kapilaben Dhirajbhai Patel	
Son	Harshal Mahendra Patel	Harshal Mahendra Patel
Daughter/s	Pinal Mahendra Patel	Pinal Mahendra Patel
Spouse's Father	Late Bhikhabhai Dayabhai Patel	Late Ramabhai Lallubhai Patel
Spouse's Mother	Madhuben Bhikhabhai Patel	Manekben Ramabhai Patel
Spouse's Brother/s	Ashokbhai Bhikhabhai Patel	Late Pravinbhai Ramabhai Patel
Spouse's Sister/s	Geetaben Sureshbhai Patel	Sushilaben Ambalal Patel
		Kapilaben Dhirajbhai Patel

##### b. Companies related to our Promoter Company:

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	-
Any Body corporate in which Promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the Promoter (Body Corporate).	-

##### c. Companies, Proprietary concerns, HUFs related to our Promoter

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by Promoter or an immediate relative of the Promoter or a firm or HUF in which Promoter or any one or more of his immediate relatives are a member.	Indcon Panels Private Limited Midas Metcons Private Limited

Nature of Relationship	Name of Entities
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	-
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than twenty percent.	-

**d. Person whose shareholding is aggregated under the heading “Shareholding of the Promoters Group”**

Name of Entities / Person
Twinkal Sagarkumar Paneliya

For further details on our Group Companies refer Chapter titled “*Information with respect to Group Companies/Entities*” beginning on page no. 189 of this Draft Red Herring Prospectus.

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## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

For details of risks in relation to our capability to pay dividend, see “*Risk Factors* No. – Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid / declared any dividend in last three years and during stub period from date of this Draft Red Herring Prospectus.

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**SECTION IX – FINANCIAL STATEMENTS**

**RESTATED FINANCIAL INFORMATION**

<b>Sr. No</b>	<b>Particulars</b>	<b>Page No.</b>
<b>1.</b>	<b>Restated Financial Information</b>	<b>RFS-1 to RFS-38</b>

**Independent Auditor's Examination report on  
Restated Financial Information of H.M. Electro Mech Limited**

**To,**  
**The Board of Directors**  
**H.M. Electro Mech Limited,**  
305, Ashram Avenue, B/H. Kochrab Ashram,  
Paldi, Ahmedabad,  
Gujarat – 38000, India.

Dear Sirs,

1. We have examined the attached Restated Financial Information of H.M. Electro Mech Limited (the “Company” or the “Issuer”), comprising the Restated Statement of Assets and Liabilities as at December 31, 2023 & March 31, 2023, 2022 and 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the stub period ended on December 31, 2023 & for the financial year ended on March 31, 2023, 2022 and 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on June 05, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus (Here-in Offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”).
2. These restated Summary Statement have been prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”)
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
3. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Registrar of Companies, Gujarat and the BSE SME Exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors’ responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February 29, 2024 in connection with the proposed IPO of equity shares of the Issuer;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. These Restated Financial Information have been compiled by the management from:
- The audited Financial Statements of the Company for the stub period ended December 31, 2023 & for the financial years ended on March 31, 2023, 2022 and 2021 which has been approved by the Board of Directors.
6. We have audited the special purpose financial information of the Company for the period ended 31st December 2023, for the financial year ended on 31st March 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the “Peer Review Board” of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated June 05, 2024 on these special purpose financial information to the Board of Directors who have approved these in their meeting held on June 05, 2024.
7. For the purpose of our examination, we have relied on:
- a) Auditors’ Report issued by statutory auditor dated January 08, 2024, September 04, 2023, August 30, 2022 and September 04, 2021 on the financial statements of the company as at and for the year stub period ended on 31<sup>st</sup> December, 2023 and for the financial year ended on March 31, 2023, 2022 and 2021 respectively.
  - b) The audits for the stub period ended on December 31, 2023 and for the financial years ended March 31, 2023, 2022 & 2021 were conducted by the Company’s statutory auditors, M/S B V Gajera & Co. Chartered Accountants, and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and collectively, the “ Restated Financial Information” examined by them for the said years.
8. Based on our examination and according to the information and explanations given to us, we report that:
- a) The “**Restated Summary Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at and for the stub period ended on December 31, 2023 & for the financial year ended on March 31, 2023, 2022 & 2021 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more. These fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
  - b) The “**Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company as at and for the stub period ended on December 31, 2023 & for the financial year ended on March 31, 2023, 2022 &, 2021 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully

described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.

- c) The “**Restated Summary Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company as at and for the stub period ended on December 31, 2023 & for the financial year ended on March 31, 2023, 2022 & 2021 are prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
  - d) The Restated Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
  - e) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - f) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
  - g) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - h) There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the stub period ended on December 31, 2023 & for the financial year ended on March 31, 2023, 2022 & 2021 which would require adjustments 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 was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
  - k) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - l) The company has not proposed any dividend in past effective for the said period.
9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the stub period ended on December 31, 2023 & for the financial year ended on March 31, 2023, 2022 & 2021 proposed to be included in the Offer Documents.

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Long Term provisions

<b>Annexure No.</b>	<b>Particulars</b>
I.5	Restated Statement of Short-Term Borrowing
I.6	Restated Statement of Trade Payables
I.7	Restated Statement of Other Current Liabilities
I.8	Restated Statement of Short-Term Provisions
I.9	Restated Statement of Property Plants & Equipment's
I.10	Restated Statement of Non-Current Investments
I.11	Restated Statement of Deferred Tax Assets
I.12	Restated Statement of Other Non-Current Assets
I.13	Restated Statement of Inventories
I.14	Restated Statement of Trade Receivable
I.15	Restated Statement of Cash & Cash Equivalent
I.16	Restated Statement of Short-Term Loans and Advances
I.17	Restated Statement of Other Current Assets
<b>II</b>	<b>Restated Statement of Profit &amp; Loss</b>
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Cost of Material Consumed
II.4	Restated Statement of Changes in Inventories of finished goods and work-in-progress
II.5	Restated Statement of Employees Benefit Expenses
II.6	Restated Statement of Finance Cost
II.7	Restated Statement of Other Expenses
II.8	Restated Statement of Earnings per equity share
<b>Other Annexures:</b>	
III	Cash Flow Statement
IV	Statement of Significant Accounting Policies
V	Notes to the Re-stated Financial Statements
VI	Statement of Accounting & Other Ratios and Statement of Analytical Ratios, As Restated
VII	Statement of Capitalization, As Restated
VIII	Statement of Tax Shelter, As Restated
IX	Related party disclosures, As Restated
X	Statement of Dividends
XI	Changes in the Significant Accounting Policies
XII	Contingent Liabilities & Capital Commitment

10. We, M/s. S V J K & Associates., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "**Peer Review Board**" of the ICAI which is valid till November 30, 2026.
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 5 above.



12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Gujarat in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For, S V J K & Associates**  
**Chartered Accountants**  
**Firm Reg. No: 135182W**  
**PRC No: 014698**

**Reeturaj Verma**  
**Partner**  
**Membership No: 193591**

**Place: Ahmedabad**  
**Date: June 05, 2024**  
**UDIN: 24193591BKAFMT3365**

**ANNEXURE - I**  
**STATEMENT OF ASSETS & LIABILITIES, AS RESTATED**

(₹ in Lakhs)

	Particulars	Note	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>I</b>	<b>EQUITY AND LIABILITIES</b>					
	1. Shareholders' funds					
	(a) Share Capital	I.1	1,000.00	1,000.00	1,000.00	1,000.00
	(b) Reserves and surplus	I.2	1,936.30	1,408.03	806.88	548.89
	2. Non-current liabilities					
	(a) Long-term borrowings	I.3	401.76	403.80	13.59	-
	(b) Other Non-current liabilities		-	-	-	-
	(d) Deferred tax liabilities		-	-	-	-
	(e) Long-term provisions	I.4	23.91	22.99	12.85	11.65
	3. Current liabilities					
	(a) Short-term borrowings	I.5	1,045.87	235.79	4.59	152.26
	(b) Trade payables	I.6				
	i) Due to MSME		-	-	-	-
	ii) Due to Others		1,567.91	3,118.27	2,341.74	1,283.18
	(c) Other current liabilities	I.7	104.32	82.55	130.52	45.64
	(d) Short-term provisions	I.8	313.37	136.59	124.08	118.74
	<b>TOTAL</b>		<b>6,393.44</b>	<b>6,408.02</b>	<b>4,434.25</b>	<b>3,160.35</b>
<b>II.</b>	<b>ASSETS</b>					
	<b>1. Non-current assets</b>					
	(a) Property Plant & Equipments & Intangible assets					
	(i) Property Plant & Equipments	I.9	34.80	34.59	43.63	32.87
	(ii) Capital work-in-progress		-	-	-	-
	(b) Non-current investments	I.10	31.50	-	-	-
	(c) Deferred Tax Assets (Net)	I.11	12.39	11.68	8.88	8.83
	(d) Long-term loans and advances		-	-	-	-
	(e) Other Non Current Assets	I.12	1,393.26	1,022.86	871.27	564.76
	<b>2. Current assets</b>					
	(a) Inventories	I.13	2,476.11	1,539.30	641.79	20.58
	(b) Trade receivables	I.14	1,978.91	3,131.72	2,079.97	1,840.71
	(c) Cash and cash equivalents	I.15	29.24	196.75	204.89	146.52
	(d) Short-term loans and advances	I.16	406.54	442.05	512.81	396.44
	(e) Other Current Assets	I.17	30.71	29.07	71.00	149.65
	<b>TOTAL</b>		<b>6,393.44</b>	<b>6,408.02</b>	<b>4,434.24</b>	<b>3,160.35</b>

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our report of even date attached

For, S V J K and Associates  
(Chartered Accountants)  
FRN : 135182W

For and on behalf of the Board of Directors  
H.M. Electro Mech Limited

Reeturaj Verma  
Partner  
M. No.193591  
UDIN: 24193591BKAFMT3365

Mahendra Patel	Dipak Pandya	Haresh Patel	Chetankumar solanki
Director	Director	CFO	Company Secretary
(DIN:02190228)	(DIN:02188199)		

Place: Ahmedabad  
Date : June 05, 2024

Place: Ahmedabad  
Date : June 05, 2024

ANNEXURE - II  
STATEMENT OF PROFIT & LOSS, AS RESTATED

(₹ in Lakhs)

	Particulars	Note	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
I	Revenue from operations	II.1	7,526.67	10,148.70	6,184.32	4,696.89
II	Other Income	II.2	8.45	17.83	18.45	22.75
III	<b>Total Income (I+II)</b>		<b>7,535.12</b>	<b>10,166.54</b>	<b>6,202.77</b>	<b>4,719.64</b>
	<b>Expenses:</b>					
	(a) Cost of materials consumed	II.3	5,056.08	8,439.64	4,827.83	3,541.05
	(b) Purchases of stock-in-trade	II.4	1,234.75	247.09	441.88	402.28
	(d) Employee benefits expense	II.5	214.54	272.84	249.27	203.41
	(e) Finance costs	II.6	90.95	87.35	3.72	9.38
	(f) Depreciation and amortisation expense		9.07	13.35	10.07	11.24
	(g) Other expenses	II.7	219.63	298.37	315.89	290.79
IV	<b>Total expenses</b>		<b>6,825.02</b>	<b>9,358.64</b>	<b>5,848.66</b>	<b>4,458.14</b>
				-		
V	<b>Profit /(Loss) before tax and Exceptional Items (III-IV)</b>		<b>710.10</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
VI	<b>Exceptional Items</b>		-	-	-	-
VII	<b>Profit /(Loss) before tax (V-VI)</b>		<b>710.10</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
VIII	<b>Tax expense:</b>					
	(a) Current tax expense		182.54	209.54	96.17	67.42
	(b) Deferred tax charge/(credit)		(0.71)	(2.79)	(0.06)	(7.52)
			<b>181.83</b>	<b>206.75</b>	<b>96.11</b>	<b>59.91</b>
IX	<b>Profit after tax for the year (VII-VIII)</b>		<b>528.27</b>	<b>601.15</b>	<b>258.00</b>	<b>201.59</b>
XII	<b>Earnings per share (face value of ₹ 10/- each):</b>	II.8				
	(a) Basic (in ₹)		5.28	6.01	2.58	2.02
	(b) Diluted (in ₹)		5.28	6.01	2.58	2.02

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

As per our report of even date attached

For, S V J K and Associates  
(Chartered Accountants)  
FRN : 135182W

Reeturaj Verma

Partner  
M. No.193591  
UDIN: 24193591BKAFMT3365

For and on behalf of the Board of Directors  
H.M. Electro Mech Limited

Mahendra Patel	Dipak Pandya	Haresh Patel	Chetankumar solanki
Director	Director	CFO	Company Secretary
(DIN:02190228)	(DIN:02188199)		

Place: Ahmedabad  
Date : June 05, 2024

Place: Ahmedabad  
Date : June 05, 2024

ANNEXURE - III  
STATEMENT OF CASH FLOW, AS RESTATED

(₹ in Lakhs)

Particulars	For the period ended	For the year Ended	For the year Ended	For the year Ended
	31-12-2023	31-03-2023	31-03-2022	31-03-2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Extraordinary items	710.10	807.90	354.11	261.50
Adjustment For:				
(a) Depreciation and Amortization	9.07	13.35	10.07	11.24
(b) Interest Charges	90.95	87.35	3.72	9.38
(c) (Gain)/Loss on Sale of Assets	-	-	-	-
(d) Interest & Other income	(8.30)	(17.77)	(18.45)	(22.75)
Operating Profit before Working Capital Changes	<b>801.82</b>	<b>890.82</b>	<b>349.45</b>	<b>259.37</b>
Adjustment For :				
(a) (Increase)/Decrease in Inventories	(936.81)	(897.51)	(621.21)	(11.54)
(b) (Increase)/Decrease in Trade Receivables	1,152.81	(1,051.76)	(239.26)	88.96
(c) (Increase)/Decrease in Loans & Advances & Other Assets	33.87	112.71	(37.72)	(83.55)
(d) Increase /(Decrease) in Trade Payables & Other Liabilities	(1,351.80)	741.06	1,148.78	(233.77)
(e) Increase/(Decrease) in Other Non-Current Liabilities	-	-	-	-
CASH GENERATED FROM OPERATIONS	(300.11)	(204.67)	600.04	19.47
Less : Direct Taxes paid	(182.54)	(209.54)	(96.17)	(67.42)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<b>(482.65)</b>	<b>(414.21)</b>	<b>503.87</b>	<b>(47.95)</b>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(482.65)</b>	<b>(414.21)</b>	<b>503.87</b>	<b>(47.95)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
(a) Sales / (Addition) in Fixed Assets & WIP	(9.27)	(4.31)	(20.84)	(3.60)
(b) (Increase) / Decrease in Investment	(31.50)	-	-	-
(c) (Increase) / Decrease in Non Current Assets	(370.40)	(151.59)	(306.51)	136.99
(d) Interest and other income	8.30	17.77	18.45	22.75
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(402.87)</b>	<b>(138.13)</b>	<b>(308.90)</b>	<b>156.14</b>

ANNEXURE - III  
STATEMENT OF CASH FLOW, AS RESTATED

(₹ in Lakhs)

Particulars	For the period ended	For the year Ended	For the year Ended	For the year Ended
	31-12-2023	31-03-2023	31-03-2022	31-03-2021
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
(a) Increase/(Decrease) in Long Term Borrowings	(2.04)	390.21	13.59	(11.44)
(b) Increase/(Decrease) in Short Term Borrowings	810.08	231.20	(147.67)	(32.80)
(c) Issue of Share Capital	-	-	-	-
(d) Increase / ( Decrease ) in Long Term Provisions	0.92	10.15	1.20	11.65
(e) Interest Paid	(90.95)	(87.35)	(3.72)	(9.38)
<b>NET CASH FLOW IN FINANCING ACTIVITIES (C)</b>	<b>718.00</b>	<b>544.21</b>	<b>(136.61)</b>	<b>(41.97)</b>
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+(C )	(167.52)	(8.13)	58.37	66.22
OPENING BALANCE – CASH & CASH EQUIVALENT	196.75	204.89	146.52	80.30
<b>CLOSING BALANCE - CASH &amp; CASH EQUIVALENT</b>	<b>29.24</b>	<b>196.75</b>	<b>204.89</b>	<b>146.52</b>

As per our Report of even date

For, S V J K and Associates  
(Chartered Accountants)  
FRN : 135182W

For and on Behalf of the Board  
H.M. Electro Mech Limited

Reeturaj Verma  
Partner  
M. No.193591  
UDIN: 24193591BKAFMT3365

Mahendra Patel	Dipak Pandya	Haresh Patel	Chetankumar solanki
Director	Director	CFO	Company Secretary
(DIN:02190228)	(DIN:02188199)		

Place: Ahmedabad  
Date : June 05, 2024

Place: Ahmedabad  
Date : June 05, 2024

## H. M. ELECTRO MECH LIMITED

### ANNEXURE - IV

#### Significant Accounting Policies / Notes on Accounts / Disclosure

**(a) Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

**(b) Revenue recognition:**

Revenue from project income and trading activity is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract and a reasonable expectation of collection of the sale consideration from the customer exists.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when right to receive is established.

**(c) Use of estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

**(d) Property, plant and equipment:**

Property, plant and equipment are stated at cost net of recoverable taxes, trade discount and rebates, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, including duties and other non-refundable taxes or levies and directly attributable cost of bringing the asset to its working condition and indirect costs specifically attributable to construction of a project or to the acquisition of fixed asset. Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Assets retired from active use are carried at lower of book value and estimated net realisable value.

**(e) Depreciation and amortisation:**

i) The Company provides for depreciation on tangible assets to the extent of depreciable amount on written down value method. Depreciation is provided based on useful life and residual value of the assets as prescribed in Schedule II to the Companies Act, 2013.

ii) The Company depreciates its fixed assets over the useful life and adopting the residual value in the manner prescribed in Schedule II to the Companies Act, 2013

ii) Depreciation on additions to assets or on sale/discardment of assets is provided on pro rata basis from the month in which assets have been put to use, up to the month prior to the month in which assets have been disposed off. Depreciation on additions to assets is provided over the residual life of the respective asset.

## H. M. ELECTRO MECH LIMITED

### ANNEXURE - IV

#### Significant Accounting Policies / Notes on Accounts / Disclosure

**(f) Impairment of assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

**(g) Investments:**

Investments (if any) are classified into current and long-term investments. Current investments are stated at lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments.

**(h) Inventories:**

The inventories are valued at lower of cost or net realisable value, using first in first out formula. Cost of inventories comprises of cost of purchase and development costs incurred in bringing them to their respective present location and condition. Work-in-progress and finished units are valued after considering direct overheads.

The inventories are valued at lower of cost or net realisable value, using first in first out formula. Work-in-progress is valued after considering all the overheads.

**(i) Foreign currency transactions:**

i) No Foreign currency transactions took place during the year. There are not foreign exchange earnings and outgo during the year.

ii) Non-monetary foreign currency items are carried at cost.

iii) In respect of branches, which are integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rates.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**(j) Employee benefits:**

Wages, salaries, paid annual leave, sick leave and bonuses are accrued in the year in which the services are rendered by the employees. The company does not permit accumulating of unused leaves. The company does not provide any long-term employee benefits except gratuity.

The contributions to defined contribution plans are charged to the statement of profit and loss.

Gratuity provision has been made as per gratuity act as on financial statement date

**(k) Borrowing cost:**

Borrowing cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## H. M. ELECTRO MECH LIMITED

### ANNEXURE - IV

#### Significant Accounting Policies / Notes on Accounts / Disclosure

**(l) Taxation:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from timing difference between taxable income and accounting income is accounted for using the tax rates and laws that have been enacted or substantially 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., Deferred tax has been calculated on the basis of timing difference of Depreciation, Preliminary Expenss and Gratuity Provisions.- Detailed Note Attached as annexure.

**(m) Provisions, contingent liabilities and contingent assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**Contingent Liability : Company has unexpired bank guarantee of Rs. 100535.25 (In Thousands) as on 31st March, 2023. (Rs. 77945.94 (In Thousands) as on 31st March,2022)**

**(n) Related Party Disclosures**

As per Accounting Standard 18, under the Companies (Accounting Standard) Rules, 2006, the discloser of transactions with the related parties as defined in the Accounting Standard and identified by the Company are given as per annexure attached.

**(o) Other Regulatory Matters**

- 1 The details regarding the Title deeds of Immovable Property not held in name of the Company is provided in Note No. 9 Property, Plant and Equipments and Immovable Properties
- 2 No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder
- 3 The Company has borrowed the fund from bank and financial institutions on the basis of security of current assets and filled the quarterly returns or statements of current assets with banks or financial institutions which are in agreement with the books of accounts
- 4 The company is not declared wilful defaulter by any bank or financial Institution or other lender.
- 5 The Company has registered all the charges and satisfaction with Registrar of Companies.



## H. M. ELECTRO MECH LIMITED

### ANNEXURE - IV

#### Significant Accounting Policies / Notes on Accounts / Disclosure

- 6 No transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in books of accounts.
- 7 The Company have not traded or invested in Crypto currency or virtual currency during the period
- 8 The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 9 The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 10 There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- 11 The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- 12 There are not foreign exchange earnings and outgo during the year.

#### (p) Other Matters

- 1 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous year Rs. Nil).
- 2 In the opinion of the Directors:
  - (a) The current assets and loans and advances are approximately of the value stated, if realised in the ordinary course of business.
  - (b) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 3 Balances of long-term borrowings, short-term borrowings, trade payables, other current liabilities, long-term loans and advances, trade receivables, short-term loans and advances and other current assets are subject to confirmation.
- 4 The Company is operating in a single segment, i.e., Government Contractor in Electro Mechanical Sector and Distributor of Pumps, and accordingly, no separate information for segment-wise disclosure is required as per Accounting Standard 17 on 'Segment Reporting' under the Companies (Accounting Standards) Rules, 2006.
- 5 The Company does not owe any sum to any micro or small enterprise. The above is based on the information available with the Company.
- 6 Previous year's figures have been regrouped, wherever necessary.

Annexure - I.1

Restated Statement of Share Capital

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Authorised Capital</b>				
No. of Equity Shares of ₹ 10/- each	15,000,000	15,000,000	15,000,000	15,000,000
Authorised Equity Share Capital In Rs.	1,500.00	1,500.00	1,500.00	1,500.00
<b>Issued, Subscribed &amp; Fully Paid up</b>				
No. of Equity Shares of ₹ 10/- each	10,000,000	10,000,000	10,000,000	10,000,000
Issued, Subscribed & Fully Paid up Share Capital In Rs.	1,000.00	1,000.00	1,000.00	1,000.00
<b>Total</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>1,000.00</b>

Reconciliation of the number of shares outstanding is set out below:-

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Shares outstanding at the beginning of the year	10,000,000	10,000,000	10,000,000	10,000,000
Add:-Shares Issued during the year	-	-	-	-
Fresh Issue	-	-	-	-
Bonus Shares Issued	-	-	-	-
Less:Shares bought back during the year	-	-	-	-
Other Changes (give details)	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The company has not proposed any dividend during preceding financial year. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Details of Shareholders holding more than 5 % shares:-

Name of Shareholder	As At 31/12/2023	As At 31/03/2022	As At 31/03/2022	As At 31/03/2021
<b>Dipakbhai P Pandya</b>				
Number of Shares	2,500,000	2,500,000	2,500,000	2,500,000
% of Holding	25.00%	25.00%	25.00%	25.00%
<b>Mahendrabhai R Patel</b>				
Number of Shares	2,500,000	2,500,000	2,500,000	2,500,000
% of Holding	25.00%	25.00%	25.00%	25.00%
<b>Mitaben D Pandya</b>				
Number of Shares	2,475,000	2,475,000	2,475,000	2,475,000
% of Holding	24.75%	24.75%	24.75%	24.75%
<b>Varshaben M Patel</b>				
Number of Shares	2,475,000	2,475,000	2,475,000	2,475,000
% of Holding	24.75%	24.75%	24.75%	24.75%

Details of promoters holding shares:-

Name of Shareholder	As At 31/12/2023	As At 31/03/2022	As At 31/03/2022	As At 31/03/2021
<b>Dipakbhai P Pandya</b>				
Number of Shares	2,500,000	2,500,000	2,500,000	2,500,000
% of Holding	25.00%	25.00%	25.00%	25.00%
<b>Mahendrabhai R Patel</b>				
Number of Shares	2,500,000	2,500,000	2,500,000	2,500,000
% of Holding	25.00%	25.00%	25.00%	25.00%
<b>Mitaben D Pandya</b>				
Number of Shares	2,475,000	2,475,000	2,475,000	2,475,000
% of Holding	24.75%	24.75%	24.75%	24.75%
<b>Varshaben M Patel</b>				
Number of Shares	2,475,000	2,475,000	2,475,000	2,475,000
% of Holding	24.75%	24.75%	24.75%	24.75%

% Change during the period: During the period there is no change in Promoter's share holding.

Annexure - I.2

Restated Statement of Reserves And Surplus

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>a. General Reserve Account</b>	-	-	-	-
<b>b. Surplus in Statement of Profit &amp; Loss A/c</b>				
Opening balance	1,408.03	806.88	548.89	347.29
(+) Net Profit For the current year	528.27	601.15	258.00	201.59
: Less Bonus Shares Issued	-	-	-	-
<b>Net Surplus in Statement of Profit and Loss</b>	<b>1,936.30</b>	<b>1,408.03</b>	<b>806.88</b>	<b>548.89</b>
<b>Total</b>	<b>1,936.30</b>	<b>1,408.03</b>	<b>806.88</b>	<b>548.89</b>

Annexure - I.3

Restated Statement of Long Term Borrowings

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Secured</b>				
<b>(a) Loans from Bank (Refer I.3.1, I.3.2 &amp; I.3.3)</b>				
i) From Banks				
(A) Secured	98.52	8.65	13.59	-
(B) Unsecured	303.24	395.15	-	-
<b>Total</b>	<b>401.76</b>	<b>403.80</b>	<b>13.59</b>	<b>-</b>

Note I.3.1 Additional information to secured Long term Borrowings

Loan from Banks:

Lender	Nature of Loan	Sanctioned Amount (Rs. In Lakhs)	Outstanding as on 31/12/2023 (Rs. In Lakhs)	Rate of Interest	Period of Repayment	Primary Security	Collateral Security
ICICI Bank Loan	Vehicle Loan	9.00	3.75	7.40	36	Hypothecation of Vehicle	Guaranteed by Directors
ICICI Bank Loan	Vehicle Loan	9.10	7.52	9.25	36	Hypothecation of Vehicle	Guaranteed by Directors
Union Bank Loan	Vehicle Loan	10.00	6.17	7.25	60	Hypothecation of Vehicle	Guaranteed by Directors
TATA Capital	Business Loan	200.00	185.01	12.25	24	Mutual fund	

Note I.3.2 Additional information to Unsecured Long term Borrowings

Loan from Banks:

Lender	Sanctioned Amount (Rs. In Lakhs)	Outstanding as on 31/12/2023 (Rs. In Lakhs)	Rate of Interest	Period of Repayment
Axis Bank Ltd	50.00	35.46	14.50	36
Deutsche Bank	50.00	37.12	15.00	36
HDFC Bank	75.00	53.50	14.50	36
ICICI Bank	50.00	35.74	14.75	36
IDFC Bank	76.50	56.52	14.50	36
Indusind Bank	50.00	44.34	15.75	24
Kotak Mahindra Bank	100.00	53.33	13.95	24
Standard Chartered Bank	100.00	70.99	15.00	36
Yes Bank Ltd	50.00	35.50	14.75	36
Aditya Birla Loan	50.00	42.21	16.00	12
Credit Saison loan	50.00	44.32	15.50	24
Fullerton India Credit Company	50.00	37.05	15.25	37
Poonawala Fincrop Ltd.	50.10	46.51	16.00	24
Shriram Finance Ltd.	50.00	44.40	19.78	24
UGRO Capital Ltd.	49.85	39.89	16.00	24
Tata Capital	75.00	46.30	14.50	24

Note I.3.3 :- Long Term Borrowings

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>(A) Secured loans</b>				
ICICI Bank Loan	0.56	2.97	5.99	-
ICICI Bank Loan	4.61	-	-	-
Union Bank Loan	4.15	5.68	7.59	-
<b>TOTAL(A)</b>	<b>9.31</b>	<b>8.65</b>	<b>13.59</b>	<b>-</b>
<b>(B) Unsecured Loans</b>				
<b>From Banks</b>				
Axis Bank Ltd - BL	18.88	31.54	-	-
Deutsche Bank	20.80	33.26	-	-
HDFC Bank - BL	28.68	47.63	-	-
ICICI Bank Ltd - BL	19.18	31.82	-	-
IDFC Bank - BL	31.50	50.60	-	-
Indusind Bank Loan	20.34	-	-	-
Kotak Mahindra Bank - BL	-	40.71	-	-
Standard Chartered Bank - BL	37.82	63.15	-	-
Yes Bank - BL	18.92	31.58	-	-
<b>From NBFC</b>				
Fullerton India	20.72	34.50	-	-
Tata Capital - BL	89.21	30.36	-	-
Credit Saison Loan	20.29	-	-	-
Pooawalla Fincorp Ltd - Loan	22.83	-	-	-
Shriram Finance Ltd Loan	20.56	-	-	-
UGRO Capital Ltd - Loan	22.74	-	-	-
<b>TOTAL(B)</b>	<b>392.45</b>	<b>395.15</b>	<b>-</b>	<b>-</b>
<b>TOTAL(A+B)</b>	<b>401.76</b>	<b>403.80</b>	<b>13.59</b>	<b>-</b>

**Annexure - I.4**

**Restated Statement of Long Term Provisions**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Provisions for Leave Encashment	-	-	-	-
Provisions for Gratuity	23.91	22.99	12.85	11.65
<b>Total</b>	<b>23.91</b>	<b>22.99</b>	<b>12.85</b>	<b>11.65</b>

**Annexure - I.5**

**Restated Statement of Short Tem Borrowings**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Loan repayable on demand ( Refer I.6.1 &amp; I.6.2)</b>				
(a) From Banks				
i) Secured	426.63	-	-	140.82
ii) Unsecured	95.37			
(b) Current Maturity of long term debt	523.87	235.79	4.59	11.44
<b>From Related Parties</b>				
From Body Corporates	-	-	-	-
<b>Total</b>	<b>1,045.87</b>	<b>235.79</b>	<b>4.59</b>	<b>152.26</b>

**Note I.5.1 Additional information to Loan Repayable on demand**

Lender	Nature of Loan	Sanctioned Amount (Rs. In Lakhs)	Outstanding as on 31/12/2023 (Rs. In Lakhs)	Rate of Interest	Period of Repayment	Collateral Security
ICICI Bank OD	Overdraft	190.00	116.41	10.25	Working Capital Facility	Guranteed by Directors
ICICI Bank Willo OD	Overdraft	100.00	95.37	9.85	90 Days	Guranteed by Directors
Ratnafin Private Limited	Bill Discounting	200.00	139.68	13.00	Usance Maximum Up to 90Days	Guranteed by Directors
LC -24-tmeic	Overdraft	Sublimit of Bank Guarantee	170.54	1.25	90 Days	Guranteed by Directors

Note I.5.2 :- Current Maturities of long term debts

Particular	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>(A) Secured Loans</b>				
ICICI Bank Loan	3.19	3.02	2.81	-
ICICI Bank Loan	2.91	-	-	-
Union Bank Loan	2.02	1.92	1.78	-
<b>TOTAL(A)</b>	<b>8.13</b>	<b>4.94</b>	<b>4.59</b>	<b>-</b>
<b>(B) Unsecured Loans</b>				
<b>(i) From Banks</b>				
Kotak Bank	-	-	-	3.31
IDFC Bank	-	-	-	3.56
Axis Bank Ltd - BL	16.58	14.88	-	-
Deutsche Bank	16.32	14.58	-	-
HDFC Bank - BL	24.83	22.28	-	-
ICICI Bank Ltd - BL	16.56	14.84	-	-
IDFC Bank - BL	25.02	22.46	-	-
Indusind Bank Loan	24.00	-	-	-
Kotak Mahindra Bank - BL	53.33	47.89	-	-
Standard Chartered Bank - BL	33.17	29.66	-	-
Yes Bank - BL	16.58	14.85	-	-
<b>(ii) From NBFC</b>				
TATA Capital	-	-	-	0.98
Magma Finance	-	-	-	3.58
Bajaj Finance OD	0.00	0.00	-	-
Fullerton India	16.33	13.28	-	-
L & T Finance OD	0.00	0.00	-	-
Tata Capital - BL	39.89	36.12	-	-
Aditya Bilrta Loan	42.21	-	-	-
Credit Saison Loan	24.03	-	-	-
Pooawalla Fincorp Ltd - Loan	23.69	-	-	-
Shriram Finance Ltd Loan	23.85	-	-	-
TATA Capital - BL	95.80	-	-	-
UGRO Capital Ltd - Loan	23.56	-	-	-
<b>TOTAL(B)</b>	<b>515.75</b>	<b>230.86</b>	<b>-</b>	<b>11.44</b>
<b>TOTAL(A+B)</b>	<b>523.88</b>	<b>235.79</b>	<b>4.59</b>	<b>11.44</b>

Annexure - I.6

Restated Statement of Trade Payable

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Micro, Small and Medium Enterprises	-	-	-	-
Others	1,567.91	3,118.27	2,341.74	1,283.18
<b>Total</b>	<b>1,567.91</b>	<b>3,118.27</b>	<b>2,341.74</b>	<b>1,283.18</b>

(a) Ageing schedule:

Balance as at 31st December, 2023

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	1,498.73	69.19	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>1,498.73</b>	<b>69.19</b>	<b>-</b>	<b>-</b>

Balance as at 31st March, 2023

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	2,988.45	129.82	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>2,988.45</b>	<b>129.82</b>	<b>-</b>	<b>-</b>

Balance as at 31st March 2022

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	2,129.26	197.56	9.04	5.88
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>2,129.26</b>	<b>197.56</b>	<b>9.04</b>	<b>5.88</b>

Balance as at 31st March 2021

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
(i) MSME	-	-	-	-
(ii) Others	1,005.16	92.47	185.55	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>1,005.16</b>	<b>92.47</b>	<b>185.55</b>	<b>-</b>

**(b) Dues payable to Micro and Small Enterprises:**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Principal amount remaining unpaid to any supplier as at the year end	-	-	-	-
Interest due on the above mention principal amount remaining unpaid to any	-	-	-	-
Amount of the interest paid by the Company in terms of Section 16	-	-	-	-
Amount of the interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act	-	-	-	-
Amount of interest accrued and remaing unpaid at the end of the accounting	-	-	-	-

**Annexure - I.7**

**Restated Statement of Other Current Liabilities**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Advances from Customers	94.66	72.94	127.34	41.32
Statutory Dues & Other Current Liabilities	9.33	7.49	3.19	4.32
Other payable	0.33	2.12	-	-
<b>Total</b>	<b>104.32</b>	<b>82.55</b>	<b>130.52</b>	<b>45.64</b>

**Annexure - I.8**

**Restated Statement Short Term Provisions**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>(a) Provision for employee benefits</b>				
Gratuity Provision	-	-	-	-
Salary and Reimbursements (including Directors' remuneration)	208.86	124.44	122.74	117.31
<b>(b) Others</b>				
Provision for ESIC	0.00	-	0.01	0.01
Provison for EPFO	0.26	0.11	0.04	0.12
Provision for Audit Fees	1.30	1.30	1.30	1.30
Provision for tax (Net of Advance Tax)	102.95	10.74	-	-
<b>Total</b>	<b>313.37</b>	<b>136.59</b>	<b>124.08</b>	<b>118.74</b>



NOTE 10: PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

Particulars	Property, Plant and Equipments							Total
	Building	Furniture & Fixtures	Motor vehicles	Two Wheelers	Plant And Machinery	Office equipment	Computer	
<b>Gross Carrying amount as at 1st April, 2020 (A)</b>	11.70	0.88	54.88	0.93	0.01	5.99	0.90	75.28
Additions	-	0.74	-	-	-	1.86	1.00	3.60
Disposals/Deletions	-	-	-	-	-	-	-	-
<b>Gross Carrying amount as at 31st March, 2021 (B)</b>	<b>11.70</b>	<b>1.63</b>	<b>54.88</b>	<b>0.93</b>	<b>0.01</b>	<b>7.85</b>	<b>1.90</b>	<b>78.88</b>
Additions	-	-	21.30	-	2.02	1.72	0.92	25.97
Disposals/Deletions	-	-	15.11	-	-	-	-	15.11
<b>Gross Carrying amount as at 31st March, 2022 (C)</b>	<b>11.70</b>	<b>1.63</b>	<b>61.07</b>	<b>0.93</b>	<b>2.03</b>	<b>9.57</b>	<b>2.82</b>	<b>89.74</b>
Additions	-	1.48	-	-	-	2.83	-	4.31
Disposals/Deletions	-	-	-	-	-	-	-	-
<b>Gross Carrying amount as at 31st March, 2023 (D)</b>	<b>11.70</b>	<b>3.11</b>	<b>61.07</b>	<b>0.93</b>	<b>2.03</b>	<b>12.40</b>	<b>2.82</b>	<b>94.05</b>
Additions	-	-	9.27	-	-	-	-	9.27
Disposals/Deletions	-	-	-	-	-	-	-	-
<b>Gross Carrying amount as at 31st Dec, 2023 (E)</b>	<b>11.70</b>	<b>3.11</b>	<b>70.34</b>	<b>0.93</b>	<b>2.03</b>	<b>12.40</b>	<b>2.82</b>	<b>103.32</b>
<b>Accumulated Depreciation as at 1st April, 2020 (F)</b>	2.03	0.38	27.50	0.39	0.00	3.99	0.47	34.77
Depreciation for the year	0.92	0.14	8.55	0.14	0.00	1.06	0.44	11.24
Disposals/Deletions	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31st March, 2021 (G)</b>	<b>2.95</b>	<b>0.52</b>	<b>36.05</b>	<b>0.53</b>	<b>0.00</b>	<b>5.05</b>	<b>0.91</b>	<b>46.01</b>
Depreciation for the year	0.83	0.29	6.29	0.10	0.22	1.57	0.77	10.07
Disposals/Deletions	-	-	9.98	-	-	-	-	9.98
<b>Accumulated Depreciation as at 31st March, 2022 (H)</b>	<b>3.78</b>	<b>0.80</b>	<b>32.36</b>	<b>0.63</b>	<b>0.23</b>	<b>6.62</b>	<b>1.68</b>	<b>46.11</b>
Depreciation for the year	0.75	0.41	8.97	0.08	0.33	2.11	0.70	13.35
Disposals/Deletions	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31st March, 2023 (I)</b>	<b>4.53</b>	<b>1.22</b>	<b>41.33</b>	<b>0.71</b>	<b>0.55</b>	<b>8.73</b>	<b>2.38</b>	<b>59.46</b>
Depreciation for the year	0.51	0.37	6.50	0.04	0.20	1.24	0.21	9.07
Disposals/Deletions	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation as at 31st Dec, 2023 (J)</b>	<b>5.05</b>	<b>1.58</b>	<b>47.83</b>	<b>0.75</b>	<b>0.75</b>	<b>9.97</b>	<b>2.59</b>	<b>68.53</b>
<b>Net Carrying amount as at 31st March, 2021 (B)-(G)</b>	<b>8.75</b>	<b>1.11</b>	<b>18.83</b>	<b>0.39</b>	<b>0.00</b>	<b>2.80</b>	<b>0.99</b>	<b>32.87</b>
<b>Net Carrying amount as at 31st March, 2022 (C)-(H)</b>	<b>7.92</b>	<b>0.82</b>	<b>28.71</b>	<b>0.29</b>	<b>1.80</b>	<b>2.95</b>	<b>1.14</b>	<b>43.63</b>
<b>Net Carrying amount as at 31st March, 2023 (D)-(I)</b>	<b>7.16</b>	<b>1.89</b>	<b>19.74</b>	<b>0.22</b>	<b>1.48</b>	<b>3.67</b>	<b>0.44</b>	<b>34.59</b>
<b>Net Carrying amount as at 31st Dec, 2023 (E)-(J)</b>	<b>6.65</b>	<b>1.52</b>	<b>22.52</b>	<b>0.17</b>	<b>1.28</b>	<b>2.43</b>	<b>0.23</b>	<b>34.80</b>

**Annexure - I.10**

**Restated Statement of Non-Current Investments**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Quated Investments:</b>				
Investment In Mutual Fund (60,055.683 units at NAV as of 31.01.2018 Rs. 52.4487/-	31.50	-	-	-
	-	-	-	-
<b>Total</b>	<b>31.50</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure - I.11**

**Deferred Tax Assets (Net)**

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Deferred Tax Assets (Net)	12.39	11.68	8.88	8.83
<b>Total</b>	<b>12.39</b>	<b>11.68</b>	<b>8.88</b>	<b>8.83</b>

\*Deferred tax assets and deferred tax liabilities have been offset as they related to the same governing tax laws.

**Annexure - I.12**

**Restated Statement of Other Non Current Assets**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
a) Security Deposits	1,172.52	738.71	815.84	548.87
b) Other Deposits				
NSDL Deposit	0.45	0.45	0.45	0.45
GST Receivable	-	-	53.13	-
Fixed Deposit	219.18	282.59	0.10	-
Others	1.10	1.10	1.75	15.44
<b>Total</b>	<b>1,393.26</b>	<b>1,022.86</b>	<b>871.27</b>	<b>564.76</b>

**Annexure - I.13**

**Restated Statement of Inventories (Valued at Cost or NRV which ever is lower)**

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
a. Raw Materials and components	-	-	-	-
b. Finished goods	-	-	-	-
c. Stock-in-trade	-	-	-	-
d. Waste	-	-	-	-
e. Others (Goods in job Turnkey Projects)	2,476.11	1,539.30	641.79	20.58
<b>Total</b>	<b>2,476.11</b>	<b>1,539.30</b>	<b>641.79</b>	<b>20.58</b>

Annexure - I.14

Restated Statement of Trade receivables

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Trade Receivables, Unsecured	1,978.91	3,131.72	2,079.97	1,840.71
<b>Total</b>	<b>1,978.91</b>	<b>3,131.72</b>	<b>2,079.97</b>	<b>1,840.71</b>

Age of receivables

As At 31/12/2023

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
<b>Undisputed</b>					
Trade receivables - Considered good	1,418.83	547.00	13.08	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>1,418.83</b>	<b>547.00</b>	<b>13.08</b>	<b>-</b>	<b>-</b>

As At 31/03/2023

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
<b>Undisputed</b>					
Trade receivables - Considered good	2,545.23	137.78	448.72	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>2,545.23</b>	<b>137.78</b>	<b>448.72</b>	<b>-</b>	<b>-</b>

As at 31/03/2022

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
<b>Undisputed</b>					
Trade receivables - Considered good	1,598.34	80.00	197.00	184.87	19.75
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>1,598.34</b>	<b>80.00</b>	<b>197.00</b>	<b>184.87</b>	<b>19.75</b>

As at 31/03/2021

Particulars	Less than 6 months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years
<b>Undisputed</b>					
Trade receivables - Considered good	1,183.87	656.84	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Disputed</b>					
Trade receivables - Considered good	-	-	-	-	-
Trade receivables - doubtful debt	-	-	-	-	-
<b>Total</b>	<b>1,183.87</b>	<b>656.84</b>	<b>-</b>	<b>-</b>	<b>-</b>

Annexure - I.15

Restated Statement of Cash and Bank Balance

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Cash and Cash Equivalents</b>				
<b>Bank Balance</b>				
(i) In current accounts	0.10	182.83	192.36	140.48
<b>Cash on Hand</b>	29.14	13.92	12.53	6.04
<b>Total</b>	<b>29.24</b>	<b>196.75</b>	<b>204.89</b>	<b>146.52</b>

Annexure - I.16

Restated Statement of Short Term Loans And Advances

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>a) Loans and Advances to Related Party</b>				
Inter-corporate Loans	-	-	-	-
<b>b) Loans and Advances to others</b>				
Advances to Employees	7.12	4.01	9.51	5.53
GST Credit/ Cash ledger Balance	237.24	267.31	416.25	282.74
<b>c) Other loans &amp; advances</b>				
Advance to Suppliers	162.18	170.73	87.05	108.18
<b>Total</b>	<b>406.54</b>	<b>442.05</b>	<b>512.81</b>	<b>396.44</b>

Annexure - I.17

Restated Statement of Other current assets

(₹ in Lakhs)

Particulars	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Prepaid Expenses	7.85	7.73	15.91	107.04
Interest receivable	19.93	19.93	19.32	16.14
TDS Receivable	2.93	1.40	0.64	0.62
Advance Income Tax (Net of Provision)	-	-	35.13	25.86
<b>Total</b>	<b>30.71</b>	<b>29.07</b>	<b>71.00</b>	<b>149.65</b>

Annexure - II.1

Restated Statement of Revenue from operations

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
<b>Revenue From Contracts with Customers</b>				
<b>Sales of Services</b>				
Work Contract Services	4,991.21	9,325.96	5,566.63	4,221.28
<b>Sale of Products</b>	2,535.47	822.74	617.69	475.61
<b>Total</b>	<b>7,526.67</b>	<b>10,148.70</b>	<b>6,184.32</b>	<b>4,696.89</b>

\*Note: State-wise Revenue Bifurcation

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Gujarat	5,990.91	7,963.89	4,689.35	3,987.48
Rajasthan	1,394.85	1,427.20	422.68	337.46
Madhyapradesh	-	423.94	436.00	1.71
Chandigarh	13.96	-	50.74	263.73
Karnataka	-	-	-	5.16
Maharashtra	126.95	282.83	585.55	101.36
Punjab	-	50.85	-	-
<b>Total</b>	<b>7,526.67</b>	<b>10,148.70</b>	<b>6,184.32</b>	<b>4,696.89</b>

\*Note: Service-Wise Revenue Bifurcation

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Operation And Maintenance	313.43	347.99	415.39	373.50
Supply Installation Testing and commissioning	4,677.78	8,977.97	5,151.24	3,847.78
<b>Total</b>	<b>4,991.21</b>	<b>9,325.96</b>	<b>5,566.63</b>	<b>4,221.28</b>

\*Note Productwise Revenue Bifurcation

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Pumpset	196.92	530.34	425.00	356.92
Crane	-	-	-	29.33
Instrumentation material	-	-	-	69.07
Old Used Material	-	101.02	22.00	-
Pipe	1,774.12	79.50	157.69	-
DG Set and its panel	129.47	85.71	-	-
Cable, Transformer	-	18.28	-	-
Panel	106.31	-	-	-
Motor	130.50	-	-	-
Transformer	166.14	-	-	-
Other	32.01	7.89	13.00	20.30
<b>Total</b>	<b>2,535.47</b>	<b>822.74</b>	<b>617.69</b>	<b>475.61</b>

Annexure - II.2

Restated Statement of Other income

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Interest Income	8.30	17.77	18.45	22.75
Other Misc Income	0.15	0.06	-	-
<b>Total</b>	<b>8.45</b>	<b>17.83</b>	<b>18.45</b>	<b>22.75</b>

Annexure - II.3

Restated Statement of Cost of materials consumed

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Inventories at the beginning of the year	1,539.30	641.79	20.58	9.04
Add: Purchases during the year	5,992.89	9,337.15	5,449.04	3,552.59
Less: Closing stock at the end of the year	2,476.11	1,539.30	641.79	20.58
<b>Cost of materials consumed</b>	<b>5,056.08</b>	<b>8,439.64</b>	<b>4,827.83</b>	<b>3,541.05</b>

**Annexure - II.4**
**Restated Statement of Purchases of stock-in-trade**

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Purchases of stock-in-trade	1,234.75	247.09	441.88	402.28
<b>Purchases of stock-in-trade</b>	<b>1,234.75</b>	<b>247.09</b>	<b>441.88</b>	<b>402.28</b>

**Annexure - II.5**
**Restated Statement of Employee benefits expense**

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
(a) Salaries and wages	39.05	45.77	28.48	35.47
(b) Staff welfare expenses	27.44	13.51	25.12	21.16
(c) Gratuity	0.92	10.15	1.20	0.00
(d) Directors' Remuneration (Including Other Director's Remuneration)	145.80	202.72	193.78	146.00
(e) Contributions to Provident and other funds	1.34	0.69	0.69	0.78
<b>Total</b>	<b>214.54</b>	<b>272.84</b>	<b>249.27</b>	<b>203.41</b>

**Annexure - II.6**
**Restated Statement of Finance costs**

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Interest Expense	86.34	26.73	3.72	9.38
Other borrowing costs; bank Charges	4.61	60.62	-	-
<b>Total</b>	<b>90.95</b>	<b>87.35</b>	<b>3.72</b>	<b>9.38</b>

**Annexure - II.7**
**Restated Statement of Other expenses**

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
Audit Fees	1.34	1.80	1.80	2.00
Freight	44.84	55.15	29.21	26.09
Insurance Expense	20.27	57.82	113.36	124.37
Testing, Inspection Charges & Design Expenses	7.09	7.76	11.50	8.89
Labour Charges	17.03	45.02	22.25	24.52
Site Expenses & Other Deduction	29.69	28.62	20.14	28.31
Miscellaneous Expenses	29.21	14.15	25.82	27.55
Tender Fees	3.76	-	-	-
Travelling Expenses	31.40	20.14	11.89	8.75
Coneveyance Expenses	-	13.25	12.28	4.96
Power & Fuel	0.74	0.89	0.78	1.00
Professional & Legal Fees	16.30	15.80	17.40	22.25
Rates & Taxes	13.87	22.74	21.12	8.61
Rent	1.47	1.48	1.91	1.05
Donation Expenses	1.18	11.12	25.12	0.15
Repairs & Maintenance	0.62	1.77	0.58	1.61
Telephone Charges	0.81	0.87	0.73	0.68
	-	-	-	-
<b>Total (A+B+C)</b>	<b>219.63</b>	<b>298.37</b>	<b>315.89</b>	<b>290.79</b>
<b>(i) Payments to the auditors comprises</b>				
- As Auditors	1.34	1.80	1.80	2.00
- Other services	-	-	-	-
<b>(ii) Expenditure on Corporate Social Responsibility</b>				
Gross Amt. required to be spent by the Company during the period	-	-	-	-
Amount spent in cash during the year	-	-	-	-

## Annexure - II.8

## Restated Statement of Earning Per Equity Share

(₹ in Lakhs)

Particulars	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
<b>Before Exceptional Itmes</b>				
1.Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs. in Lakhs)	528.27	601.15	258.00	201.59
2. Weighted Average number of equity shares [Original]	10,000,000	10,000,000	10,000,000	10,000,000
3. Weighted Average number of equity shares used as denominator for calculating EPS (After considering Bonus impact with retrospective effect)	10,000,000	10,000,000	10,000,000	10,000,000
<b>4. Basic and Diluted Earning per Share (On Face value of Rs. 10/ per share)</b>	<b>5.28</b>	<b>6.01</b>	<b>2.58</b>	<b>2.02</b>

ANNEXURE –V

Notes to the Re-stated Financial Statements:

**I. Additional regulatory information**

**(a) Details of crypto currency or virtual currency**

The Company has neither traded nor invested in Crypto currency or Virtual Currency during the period ended on December 31, 2023 and for the year ended on March 31, 2023, 2022 & 2021. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

**(b) Undisclosed income**

During the Period, the Company has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**(c) Relationship with struck off companies**

The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the period ended on December 31, 2023 and for the year ended on March 31, 2023, 2022 & 2021.

**(d) Compliance with numbers of layers of companies**

The Company is in compliance with the number of layers of companies in accordance with clause 87 of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 during the period ended on December 31, 2023 and for the year ended on March 31, 2023, 2022 & 2021.

**(e) Utilisation of borrowed funds and share premium**

During the period ended on December 31, 2023 and for the year ended on March 31, 2023, 2022 & 2021, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

During the period ended on December 31, 2023 and for the year ended on March 31, 2023, 2022 & 2021, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

**(f) The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.**

**(g) No proceeding have been initiated nor pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.**

**VI. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

**II. Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.



ANNEXURE –V

Notes to the Re-stated Financial Statements:

III. Material Adjustments in Restated Profit & Loss Account:

Particulars	For the Period Ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Profit After Tax as per Books of Accounts</b>	<b>528.27</b>	<b>601.15</b>	<b>258.00</b>	<b>201.59</b>
Adjustment for provision of Depreciation	-	-	-	-
Adjustment for provision of Income Tax	-	-	-	-
Adjustment for provision of Deferred Tax	-	-	-	-
<b>Profit After Tax as per Restated</b>	<b>528.27</b>	<b>601.15</b>	<b>258.00</b>	<b>201.59</b>

(₹ in Lakhs)

Particulars	For the Period Ended			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Reserves and surplus as per Books of Accounts</b>	<b>1,936.30</b>	<b>1,408.03</b>	<b>806.88</b>	<b>548.89</b>
Adjustment for provision of Gratuity	-	-	-	-
Adjustment for provision of Income Tax	-	-	-	-
Adjustment for provision of Deferred Tax	-	-	-	-
Adjustment in opening balance	-	-	-	-
<b>Reserves and surplus as per Restated</b>	<b>1,936.30</b>	<b>1,408.03</b>	<b>806.88</b>	<b>548.89</b>

(₹ in Lakhs)

IV. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Based on the information available with the Company in respect of MSME (as defined in the Micro, Small and Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprise during the year.

The identification of Micro, Small and Medium Enterprises Suppliers as defined under “The Micro, Small and Medium Enterprises Development Act, 2006” is based on the information available with the management. As certified by the management, the amounts overdue as on December 31, 2023 & March 31, 2023, 2022 & 2021 to Micro, Small and Medium Enterprises on account of principal amount together with interest, aggregate to Rs. Nil.

I. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

II. The balance of Sundry Creditors, Sundry Debtors, Loans Advances, Unsecured Loans, and Current Liabilities are subject to confirmation and reconciliation.

V. As required under SEBI (ICDR) Regulations, the statement of assets and liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived after such deductions.

ANNEXURE –V

Notes to the Re-stated Financial Statements:

VI. Provision for Gratuity

The benefits payable under this plan are governed by "Gratuity Act 1972". Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the member's length of services and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the summary statement of profit or loss and the funded status and amounts recognised in the statement of assets and liabilities for the respective plans:

Particulars	(₹ in lakhs)			
	As on 31st December, 2023	As on 31st March, 2023	As on 31st March 2022	As on 31st March, 2021
<b>Components of Employer Expense</b>				
Current Service Cost	1.00	1.23	0.71	3.10
Interest Cost	0.26	0.26	0.21	-
Expected return on Plan Assets	-	-	-	-
Actuarial Losses/(gains)	2.39	(0.44)	(0.25)	-
Past Service Cost	-	-	-	-
<b>Total Expense recognised in the Statement of Profit &amp; Loss.</b>	<b>3.65</b>	<b>1.05</b>	<b>0.67</b>	<b>3.10</b>
<b>Actual contribution and benefit payments for year</b>				
Actual Benefit Payments	-	-	-	-
Actual Contributions	-	-	-	-
<b>Net Asset/(Liability) recognised in the Balance Sheet</b>				
Present Value of Defined Benefit Obligation	8.47	4.82	3.77	3.10
Fair Value of Plan Assets	-	-	-	-
Unrecognised Past Service Cost	-	-	-	-
<b>Net Asset/(Liability) recognised in the Balance Sheet</b>	<b>8.47</b>	<b>4.82</b>	<b>3.77</b>	<b>3.10</b>
<b>Change in defined benefit obligations (DBO) during the year</b>				
Present value of DBO at beginning of the Year	4.82	3.77	3.10	-
Current Service Cost	1.00	1.23	0.71	3.10
Interest Cost	0.26	0.26	0.21	-
Expected return on Plan Assets	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	2.39	(0.44)	(0.25)	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	-	-	-	-
<b>Present Value of DBO at the end of the year</b>	<b>8.47</b>	<b>4.82</b>	<b>3.77</b>	<b>3.10</b>
<b>Change in Fair Value of Assets during the year</b>				
Plan Assets at beginning of the year	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Actual Company Contributions	-	-	-	-
Actuarial Gain/(Loss)	-	-	-	-
Benefits Paid	-	-	-	-
<b>Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Bifurcation of Present Value of Obligation at the end of the year with respect to provisions of the Companies Act,2013</b>				
Current Liability (Amount due within One year)	0.39	0.20	0.17	0.12
Non-Current Liability (Amount due over One year)	8.08	4.62	3.59	2.97
<b>Present Value of Obligation as at the end</b>	<b>8.47</b>	<b>4.82</b>	<b>3.77</b>	<b>3.10</b>
<b>Actuarial Assumptions</b>				
<b>Economics</b>				
Discount Rate	7.20%	7.45%	7.15%	6.85%
Expected Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Salary Escalation	7.00%	7.00%	7.00%	7.00%
<b>Demographic</b>				
Retirement Age	58 years	58 years	58 years	58 years
Mortality Rate	As per Standard table Indian Assured Lives Mortality(2012-14) ultimate	As per Standard table Indian Assured Lives Mortality(2012-14) ultimate	As per Standard table Indian Assured Lives Mortality(2012-14) ultimate	As per Standard table Indian Assured Lives Mortality(2012-14) ultimate

ANNEXURE –V

**Notes to the Re-stated Financial Statements:**

**VII. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits**

Balances of Trade Receivables, Trade Payables, Borrowings and Loans & Advances and Deposits are subject to confirmation.

**VIII. Re-grouping/re-classification of amounts**

The figures have been grouped and classified wherever they were necessary.

**IX. Examination of Books of Accounts & Contingent Liability**

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

**X. Director Personal Expenses**

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

**XI. Deferred Tax Asset / Liability: [AS-22]**

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22.

**XII. Corporate Social Responsibility (CSR) is not applicable to the Company and hence details not provided.**

ANNEXURE –VI

Statement of Accounting & Other Ratios, As Restated

Particulars	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Net Profit before Tax as Restated (A)	710.10	807.90	354.11	261.50
Add: Depreciation	9.07	13.35	10.07	11.24
Add: Interest on Loan	90.95	87.35	3.72	9.38
Add: Income Tax/ Deferred Tax	-	-	-	-
Less: Other Income	(8.45)	(17.83)	(18.45)	(22.75)
<b>EBITDA</b>	<b>801.67</b>	<b>890.76</b>	<b>349.45</b>	<b>259.37</b>
<b>EBITDA Margin (%)</b>	<b>10.65%</b>	<b>8.78%</b>	<b>5.65%</b>	<b>5.52%</b>
Net Worth as Restated (B)	2,936.30	2,408.03	1,806.88	1,548.89
<b>Return on Net worth (%) as Restated (A/B)</b>	<b>17.99%</b>	<b>24.96%</b>	<b>14.28%</b>	<b>13.02%</b>
Equity Share at the end of year (in Nos.) (C)	10,000,000	10,000,000	10,000,000	10,000,000
<b>Weighted No. of Equity Shares (Pre-Bonus) (D)</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>Weighted No. of Equity Shares (Post-Bonus) (after considering Bonus Impact with retrospective effect) (E)</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>Basic &amp; Diluted Earnings per Equity Share as Restated (A/D)</b>	<b>5.28</b>	<b>6.01</b>	<b>2.58</b>	<b>2.02</b>
<b>Basic &amp; Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect (A/E)</b>	<b>5.28</b>	<b>6.01</b>	<b>2.58</b>	<b>2.02</b>
Equity Share at the end of year (in Nos.) (F)	10,000,000	10,000,000	10,000,000	10,000,000
Equity Share at the end of year (in Nos.) (after considering Bonus Impact with retrospective effect) (G)	10,000,000	10,000,000	10,000,000	10,000,000
<b>Net Asset Value per Equity share as Restated (B/C)</b>	<b>29.36</b>	<b>24.08</b>	<b>18.07</b>	<b>15.49</b>
<b>Net Asset Value per Equity share as Restated after considering Bonus Impact with retrospective effect (B/E)</b>	<b>29.36</b>	<b>24.08</b>	<b>18.07</b>	<b>15.49</b>

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.

Sr. No.	Ratio	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
1	Current Ratio	1.61	1.49	1.32	1.50
2	Debt-Equity Ratio	0.49	0.27	0.01	N/A
3	Debt Service Coverage Ratio	1.32	3.23	44.28	13.55
4	Return on Equity (ROE)(%)	19.77%	28.52%	15.38%	13.92%
5	Inventory Turnover Ratio	3.13	7.97	15.91	266.29
6	Trade receivables turnover ratio	2.95	3.89	3.15	2.49
7	Trade payables turnover ratio	2.56	3.42	3.01	2.64
8	Net capital turnover ratio	4.19	7.88	7.53	6.62
9	Net profit ratio(%)	7.02%	5.92%	4.17%	4.29%
10	Return on capital employed (ROCE)(%)	21.40%	36.17%	19.35%	15.34%
11	Return on investments(%)	0.71%	2.41%	2.26%	4.15%

Sr. No.	Ratio	As At 31/03/2023	Notes	As At 31/03/2023	Notes
1	Current Ratio	12.37%		-12.01%	
2	Debt-Equity Ratio	2540.46%	Refer A-1	N/A	
3	Debt Service Coverage Ratio	-92.70%	Refer A-2	226.67%	Refer B-1
4	Return on Equity (ROE)(%)	85.51%	Refer A-3	10.45%	Refer B-2
5	Inventory Turnover Ratio	-49.94%	Refer A-4	-94.02%	Refer B-3
6	Trade receivables turnover ratio	23.45%		26.62%	Refer B-4
7	Trade payables turnover ratio	13.76%		13.88%	
8	Net capital turnover ratio	4.70%		13.77%	
9	Net profit ratio(%)	41.99%	Refer A-5	-2.80%	
10	Return on capital employed (ROCE)(%)	86.94%	Refer A-6	26.11%	Refer B-5
11	Return on investments(%)	6.40%		-45.44%	Refer B-6

**Note : A Reasons for Variations:**

- 1 Debt-Equity Ratio : It is increased as the company has raised its debt
- 2 Debt Service Coverage Ratio : It is decreased due to high finance cost as compare to profit
- 3 Return on Equity (ROE)(%) : It is increased as overall operating profit of company is increased
- 4 Inventory Turnover Ratio : It is increased due to decreased in purchase stock in trade
- 5 Net profit ratio(%) :It is increased as overall operating profit of company is increased
- 6 Return on capital employed (ROCE)(%) :The variance is due to increase in capital employed

**Note : B Reasons for Variations:**

- 1 Debt Service Coverage Ratio : It is increased as overall operating profit of company is increased
- 2 Return on Equity (ROE)(%) : It is decreased due to increase in operating
- 3 Inventory Turnover Ratio : It is decreased due to increase in Inventory
- 4 Trade receivables turnover ratio : It is decreased due to increase in Trade receivables
- 5 Return on capital employed (ROCE)(%) :The variance is due to increase in capital employed
- 6 Return on Investment(%): It is due to deposit return on investment

ANNEXURE –VII

Statement of Capitalization, As Restated

(₹ in Lakhs)

Particulars	Pre-Issue	Post Issue*
	31-12-23	
<b>Debt :</b>		
Long Term Debt	401.76	[●]
Short Term Debt	1,045.87	[●]
<b>Total Debt</b>	<b>1,447.63</b>	-
<b>Shareholders Funds</b>		
Equity Share Capital	1,000.00	[●]
Reserves and Surplus	1,936.30	[●]
Less: Misc. Expenditure	-	-
<b>Total Shareholders' Funds</b>	<b>2,936.30</b>	[●]
<i>Long Term Debt/ Shareholders' Funds</i>	<i>0.14</i>	<i>[●]</i>
<i>Total Debt / Shareholders Fund</i>	<i>0.49</i>	<i>[●]</i>

\*Note:-

- 1) "The post issue figures are as on 31.12.2023"
- 2) "The post issue figures are not available since issue price is not yet finalized"

ANNEXURE –VIII

Statement of Tax Shelter, As Restated

(₹ in Lakhs)

Particulars	As At			
	31-12-23	31-03-23	31-03-22	31-03-21
<b>Profit Before Tax as per books of accounts (A)</b>	<b>710.10</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
-- Normal Tax rate	25.17%	25.17%	25.17%	25.17%
-- Minimum Alternative Tax rate	16.69%	16.69%	16.69%	16.69%
<b>Permanent differences</b>				
Other adjustments	-	21.66	28.38	(2.06)
Prior Period Item	-	-	-	
<b>Total (B)</b>	<b>-</b>	<b>21.66</b>	<b>28.38</b>	<b>(2.06)</b>
<b>Timing Differences</b>				
Depreciation as per Books of Accounts	9.07	13.35	10.07	11.24
Depreciation as per Income Tax	7.16	9.64	8.63	8.07
Difference between tax depreciation and book depreciation	1.90	3.71	1.45	3.17
Other adjustments		(2.95)	(3.11)	2.67
Deduction under chapter VI-A			-	-
<b>Total (C)</b>	<b>1.90</b>	<b>0.77</b>	<b>(1.67)</b>	<b>5.84</b>
<b>Net Adjustments (D = B+C)</b>	<b>1.90</b>	<b>22.43</b>	<b>26.71</b>	<b>3.78</b>
<b>Total Income (E = A+D)</b>	<b>712.00</b>	<b>830.33</b>	<b>380.82</b>	<b>265.28</b>
Brought forward losses set off (Depreciation)	-	-	-	-
Tax effect on the above (F)	-	-	-	-
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>712.00</b>	<b>830.33</b>	<b>380.82</b>	<b>265.28</b>
Tax & interest thereon Payable for the year	179.20	208.98	95.84	66.77
Tax payable as per MAT	118.52	134.84	59.10	43.64
Tax expense recognised	<b>182.54</b>	<b>209.54</b>	<b>96.17</b>	<b>67.42</b>
Tax payable as per normal rates or MAT (whichever is higher)	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>

ANNEXURE –IX

Statement of Related Party & Transactions :

List of Related Parties where Control exists and Relationships:

Sr. No	Name of the Related Party	Relationship
1)	Dipakbhai P Pandya	Key Managerial Persons
2)	Mahendrabhai Patel	
3)	Mitaben D Pandya	
4)	Varshaben Patel	
5)	Haresh A Patel	
6)	Harshal Patel	
7)	Pinal Patel	Relatives Of KMP
8)	Suhani S. Patel	Director having Significant Influence
9)	Indcon Panels Private Limited	

(₹ in Lakhs)

Transactions during the year:	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
<b>Remuneration And Salary</b>				
Dipakbhai P Pandya	36.00	48.00	48.00	48.00
Mahendrabhai Patel	36.00	48.00	48.00	48.00
Mitaben D Pandya	36.00	48.00	48.00	24.00
Varshaben Patel	36.00	48.00	48.00	24.00
Haresh A Patel	7.80	8.96	6.68	5.91
Suhani S Patel	-	4.80	0.22	-
Pinal Patel	-	-	0.22	-
<b>Reimbursement of Expenses</b>				
Haresh A Patel	0.64	-	0.28	1.20
Harshal Patel		1.15	0.10	-
Pinal Patel			-	-
Mahendrabhai Patel	0.29	-	0.12	-
<b>Labour Expense</b>				
Harshal Patel	-	-	-	14.11
Pinal Patel	-	-	-	14.11
<b>Professional fees(consultancy)</b>				
Harshal Patel	-	-	-	5.00
Pinal Patel	-	-	-	5.00
<b>Loan/Advances given</b>				
Haresh A Patel			-	3.50
<b>Loans received from Related parties</b>				
Varshaben Patel	-	-	-	12.00



Transactions during the year:	For the period ended 31/12/2023	For the period ended 31/03/2023	For the period ended 31/03/2022	For the period ended 31/03/2021
<b>Loans received back from Related parties</b>				
Haresh A Patel	-	-	-	3.50
<b>Loans repaid to Related parties</b>				
Varshaben Patel		-	-	12.00

(₹ in Lakhs)

4. Outstanding Balance Receivables / (Payable)	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
<b>Salary payable</b>				
Dipakbhai P Pandya	80.04	64.90	69.72	80.28
Mahendrabhai Patel	32.64	9.72	9.69	18.51
Mitaben D Pandya	41.85	19.21	16.20	7.97
Varshaben Patel	43.83	22.19	24.96	5.47
<b>Trade payable/Other Payable</b>				
Haresh A Patel	0.53	0.64	-	-
Pinal Patel	17.35	19.35	18.35	32.13
Harshal Patel	5.73	17.38	21.18	25.63
Suhani S Patel	0.80	2.80	1.82	3.60
<b>Advances</b>				
Haresh A Patel		-	1.76	0.70
<b>Earnest Money Deposit</b>				
Indcon Panels Private Limited	24.00	24.00	24.00	24.00

ANNEXURE –X

**Statement of Dividends**

No Dividend Paid till Date

ANNEXURE –XI

**Changes in the Significant Accounting Policies**

There have been no changes in the accounting policies of the company for the period covered under audit

ANNEXURE –XII

**Contingent Liabilities & Capital Commitment:**

a.Claims against the Company (including unasserted claims) not acknowledged as debt:

(₹ in Lakhs)

Contingent Liabilities	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
Bank Guarantee	1584.62	1005.35	779.46	588.28

(₹ in Lakhs)

Capital Commitment	As At 31/12/2023	As At 31/03/2023	As At 31/03/2022	As At 31/03/2021
NIL	NIL	NIL	NIL	NIL

**OTHER FINANCIAL INFORMATION**

(₹ In Lakhs)

Particulars		31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Net Profit before Tax as Restated	(A)	710.10	807.90	354.11	261.50
Add: Depreciation		9.07	13.35	10.07	11.24
Add: Interest on Loan		90.95	87.35	3.72	9.38
Add: Income Tax/ Deferred Tax		-	-	-	-
Less: Other Income		(8.45)	(17.83)	(18.45)	(22.75)
<b>EBITDA</b>		801.67	890.76	349.45	259.37
<b>EBITDA Margin (%)</b>		10.65%	8.78%	5.65%	5.52%
Net Worth as Restated	(B)	2,936.30	2,408.03	1,806.88	1,548.89
<b>Return on Net worth (%) as Restated</b>	(A/B)	17.99%	24.96%	14.28%	13.02%
Equity Share at the end of year (in Nos.)	(C)	10,000,000	10,000,000	10,000,000	10,000,000
<b>Weighted No. of Equity Shares (Pre-Bonus)</b>	(D)	10,000,000	10,000,000	10,000,000	10,000,000
<b>Weighted No. of Equity Shares (Post-Bonus)</b>	(E)	10,000,000	10,000,000	10,000,000	10,000,000
(after considering Bonus Impact with retrospective effect)					
<b>Basic &amp; Diluted Earnings per Equity Share as Restated</b>	(A/D)	5.28	6.01	2.58	2.02
<b>Basic &amp; Diluted Earnings per Equity Share as Restated after considering Bonus Impact with retrospective effect</b>	(A/E)	5.28	6.01	2.58	2.02
Equity Share at the end of year (in Nos.)	(F)	10,000,000	10,000,000	10,000,000	10,000,000
<b>Equity Share at the end of year (in Nos.) (after considering Bonus Impact with retrospective effect)</b>	(G)	10,000,000	10,000,000	10,000,000	10,000,000
<b>Net Asset Value per Equity share as Restated</b>	(B/C)	29.36	24.08	18.07	15.49
<b>Net Asset Value per Equity share as Restated after considering Bonus Impact with retrospective effect (B/E)</b>	(B/G)	29.36	24.08	18.07	15.49

**Note: -**

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.

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## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “Risk Factors” beginning on page 23, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year” or “FY”) are to the twelve-month period ended March 31 of that year.*

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated which is included in this Draft Red Herring Prospectus under the section titled “Restated Financial Information” beginning on page 164 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

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 23 and 15 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled “Presentation of Financial, Industry and Market data” beginning on page 13 of this Draft Red Herring Prospectus.

### **BUSINESS OVERVIEW**

Our Company was originally established in Year of 2003 as a partnership firm named as ‘M/s H.M. Engineers’ under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as “H. M. Electro Mech Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018.

Prior to the incorporation of our Company, all our Promoters were associated with M/s. H M Engineers, a partnership firm engaged in the business of Electro Mechanical Contract for water supply & waste water treatment and pumping machinery installation works in pump house of Government Turnkey Projects. etc., which was later converted into our Company during the year 2018. Mr Mahendra Ramabhai Patel and Mr Dipak Padmakant Pandya having 20 years of extensive experience along with our management team are responsible for identifying the projects in which the company should participate and make sure that the selected projects are related to our business. Our Promoters are the guiding force behind the success of our company. We believe the stability of our management team and the industry experience brought on by our individual Promoters will enable us to continue to take advantage of future market opportunities and expand into newer markets.

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories.

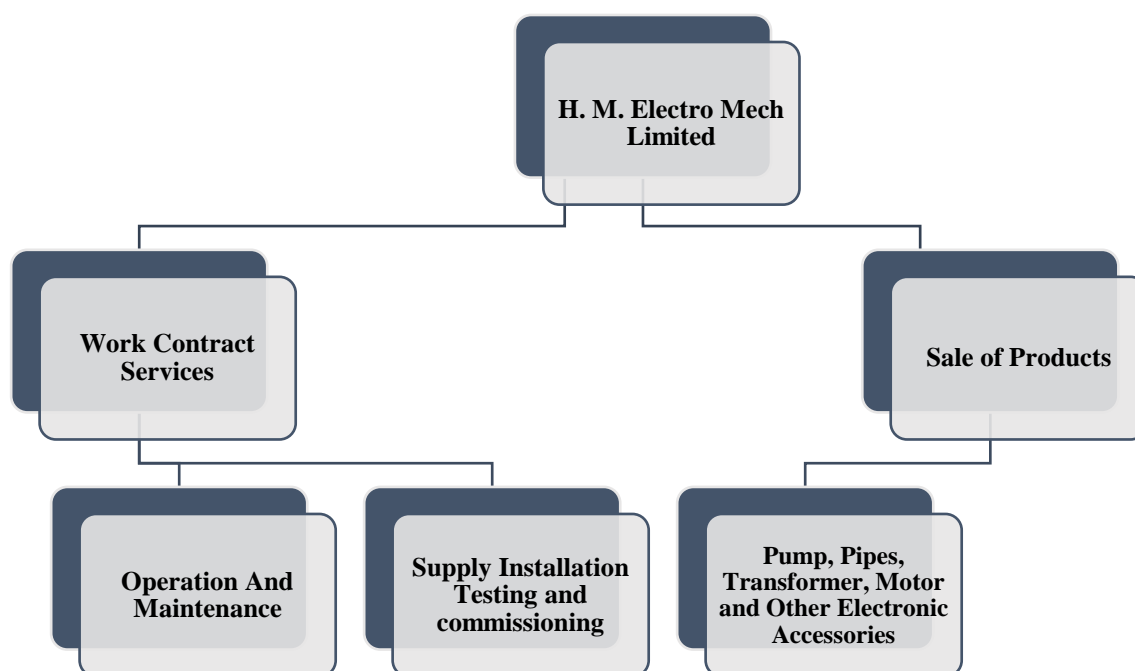
Our company is ISO 9001:2015 certified and approved Electrical contractor in Class ‘A’ (highest category for Electrical Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) and Class ‘AA’ (highest category for EPC Contracts - unlimited bidding capacity subject to fulfilment of other tender conditions) with Irrigation division of Government of Gujarat. The Company is an approved electrical contractor with State Government of Rajasthan also under Indira Gandhi Nahar Pariyojana, Bikaner. Our Company is authorized by Government of Gujarat Energy and Petrochemicals Department to carry out Electrical Installation Works in the Gujarat State.

The company has achieved a great reputation in this field within a short span of time with its strong & effective management and intime project execution. We are proud to highlight our accomplishments and ongoing efforts in various projects. Since 2018 we have completed 12 projects having aggregating of Rs. 11629.86 lakhs. Apart from this, currently we are engaged in 30 ongoing projects having aggregating of Rs. 38541.23 lakhs. These projects not only met but exceeding our clients' expectations, providing a lasting benefit to the community. It underscores our commitment to delivering high quality, impactful projects that meets diverse needs and drive progress.

The key clients of our company include State Governments, Central Government, Municipal corporations, banking sector and educational institutes etc. We have a locational advantage in the state of Gujarat where our registered office is situated with nearly 80% of our total revenue. We have strategically expanded our presence and network to different parts of the country, taking on projects in various regions, including Rajasthan, Maharashtra, Madhya Pradesh, Karnataka, Punjab and Chandigarh etc. This expansion reflects our commitment to delivering our expertise and a service to clients nationwide.

## OUR BUSINESS MODEL

We derive our revenue from 2 (Two) major business verticals:



## FINANCIAL KPIS OF OUR COMPANY

The financial performance of the company for stub period and last three years as per restated financial Statement:

(₹ in lakhs)

Particulars	For the Year/period ended on			
	31-Dec-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue from Operations (₹ in Lakhs)	7,526.67	10,148.70	6,184.32	4,696.89
Growth in Revenue from Operations (YoY %)	-	64.10%	31.67%	-
Gross Profit (₹ in Lakhs)	1,235.84	1,461.98	914.61	753.56
Gross Profit Margin (%)	16.42%	14.41%	14.79%	16.04%
EBITDA (₹ in Lakhs)	801.67	890.76	349.45	259.37
EBITDA Margin (%)	10.65%	8.78%	5.65%	5.52%
Profit After Tax (₹ in Lakhs)	528.27	601.15	258.00	201.59
PAT Margin (%)	7.02%	5.92%	4.17%	4.29%
RoE (%)	19.77%	28.52%	15.38%	13.92%
RoCE (%)	21.40%	36.17%	19.35%	15.34%
Net Fixed Asset Turnover (In Times)	216.95	259.48	161.68	128.02
Operating Cash Flows (₹ in Lakhs)	(482.65)	(414.21)	503.87	(47.95)

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO LAST AUDITED BALANCE SHEET:

After the date of last audited financial statements i.e. December 31, 2023, the Directors of our Company confirm that, there have not been any significant material developments except mentioned below:

- The Members of Company in the Extra-Ordinary General Meeting held on February 26, 2024 approved resolution for increasing authorized capital from ₹ 100.00 lakhs divided into 10,00,000 shares of ₹ 10/- each to ₹ 150.00 lakhs divided into 15,00,000 shares of ₹ 10/- each.

## FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:

Our Company's future results of operations could be affected potentially by the following factors:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Ability to execute larger capacity projects;
- Ability to effectively execute and expand our Order Book;
- Credit worthiness of our customers;
- Customer spending, demographics and general economic and market conditions in India;
- Competition;
- COVID-19 Pandemic;
- Natural Calamities e.g., Tsunami;
- Political Stability of the Country;
- Our dependence on limited number of customers for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

## OUR SIGNIFICANT ACCOUNTING POLICIES:

For Significant accounting policies please refer Significant Accounting Policies and Notes to accounts, *Annexure IV* beginning under Chapter titled "Restated Financial Information" beginning on page 164 of this Draft Red Herring Prospectus.

## RESULTS OF OUR OPERATION

The following table sets forth detailed total income data from our restated Statement of profit and loss for the stub period ended on December 31, 2023 and Financial Year ended on March 31, 2023, 2022 and 2021, the components of which are also expressed as a percentage of total Income for such period.

(₹ in Lakhs)

Particular	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income
Revenue from operations	7,526.67	99.89	10,148.70	99.82	6,184.32	99.70	4,696.89	99.52
Other Income	8.45	0.11	17.83	0.18	18.45	0.30	22.75	0.48
<b>Total Income</b>	<b>7,535.12</b>	<b>100.00</b>	<b>10,166.54</b>	<b>100.00</b>	<b>6,202.77</b>	<b>100.00</b>	<b>4,719.64</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of material consumed	5,056.08	67.10	8,439.64	83.01	4,827.83	77.83	3,541.05	75.03
Purchase of stock-in-trade	1,234.75	16.39	247.09	2.43	441.88	7.12	402.28	8.52

Particular	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income	₹ in Lakhs	% of Total Income
Employee benefits expense	214.54	2.85	272.84	2.68	249.27	4.02	203.41	4.31
Finance Costs	90.95	1.21	87.35	0.86	3.72	0.06	9.38	0.20
Depreciation and amortization expenses	9.07	0.12	13.35	0.13	10.07	0.16	11.24	0.24
Other Expenses	219.63	2.91	298.37	2.93	315.89	5.09	290.79	6.16
<b>Total Expenses</b>	<b>6,825.02</b>	<b>90.58</b>	<b>9,358.64</b>	<b>92.05</b>	<b>5,848.66</b>	<b>94.29</b>	<b>4,458.14</b>	<b>94.46</b>
<b>Profit/(Loss) Before Extra-Ordinary Items and Tax</b>	<b>710.10</b>	<b>9.42</b>	<b>807.90</b>	<b>7.95</b>	<b>354.11</b>	<b>5.71</b>	<b>261.50</b>	<b>5.54</b>
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit before Tax	710.10	9.42	807.90	7.95	354.11	5.71	261.50	5.54
Total tax expense	181.83	2.41	206.75	2.03	96.11	1.55	59.91	1.27
<b>Profit and Loss for the Year as Restated</b>	<b>528.27</b>	<b>7.01</b>	<b>601.15</b>	<b>5.91</b>	<b>258.00</b>	<b>4.16</b>	<b>201.59</b>	<b>4.27</b>

#### REVIEW OF RESULTS OF OPERATIONS FOR THE PERIOD ENDED DECEMBER 31, 2023:

##### TOTAL INCOME:

##### *Revenue from operations (RFO)*

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Over the years We have diversified in the field of electrification projects with Indian railways, Nationalized Banks and Municipal Corporations. Recently we have started EPC (Engineering, Procurement and Construction) field projects which involves laying cross country pipe line and civil work related to water supply projects including construction of water treatment plant (WTP), Civil Work for Pump Houses, Diesel Generating Sets, Panel Room, Instrumentation, PLC-SCADA. For such EPC projects we are working in collaboration/joint ventures with other companies also for carrying out the civil work part of the project. Our company is also engaged in sale of products which includes Pump, Pipes, Transformer, Motor and Other Electronic Accessories. The Total Revenue from operations for the period ended on December 31, 2023 was ₹ 7,526.67 Lakhs. Revenue from Operations mainly includes revenue from sale of services i.e. Work Contract Services and Sale of Products being part of the Work's Order. Revenue under the head Operation and Maintenance constitutes 4.16%, whereas Revenue from Supply Installation Testing and commissioning constitutes 62.15% and Sale of Products constitutes 33.69% of Revenue from Operation. Following are the segment wise bifurcation of Revenue from Operations. Details of product-service wise bifurcation of revenue and geography wise revenue bifurcation is as follows:

##### **Product-wise Revenue from operations:**

Particulars	(₹ in lakhs)	
	For the period ended December 31, 2023	% of RFO
<b>Work Contract Services</b>	<b>4,991.21</b>	<b>66.31%</b>
• Operation And Maintenance	313.43	4.16%
• Supply Installation Testing and commissioning	4,677.78	62.15%
<b>Sale of Pump, Pipes, Transformer, Motor and Other Electronic Accessories</b>	<b>2,535.47</b>	<b>33.69%</b>
<b>Total</b>	<b>7,526.67</b>	<b>100.00%</b>

##### **Geography-wise Revenue from operations:**

(₹ in lakhs)

Particulars	For the period ended December 31, 2023	% of RFO
<b>Domestic Sales</b>		
• Gujarat	5,990.91	79.60%
• Rajasthan	1,394.85	18.53%
• Chandigarh	13.96	0.19%
• Maharashtra	126.95	1.69%
<b>Total</b>	<b>7,526.67</b>	<b>100.00%</b>

#### ***Other Income:***

Other income of the company was ₹ 8.45 lakhs constituting 0.11% of Total Income for the period ended December 31, 2023. Other Income mainly includes Interest Income and Other Miscellaneous Income.

#### **EXPENDITURE:**

##### ***Cost of materials consumed***

Our Cost of materials consumed were ₹ 5,056.08 lakhs representing 67.10% of Total Income for the period ended December 31, 2023. Cost of materials consumed mainly includes Opening balance of raw material, Purchase of Raw Material related to Work's Order, Labour Expenses related to Work's Order i.e. directly paid to the labour, reduced by closing balance of Raw material.

##### ***Purchases of Stock-In-Trade***

Our Purchases of Stock-In-Trade were ₹ 1,234.75 lakhs representing 16.39% of Total Income for the period ended December 31, 2023. The material requirement of our company depends on the design, customer specification and work required at the site. However, the major materials used by our company includes Pumps, Motors, Valves, Crane, Flowmeters, Pipes, transformers, HT Switch Yard, Cables, HT VCB, FCMA Starter, Battery Charger, UPS, PLC-SCADA etc. Reason for increase in Purchase of Stock-In-Trade is due to increase in proportion of Sale of Pump, Pipes, Transformer, Motor and Other Electronic Accessories in Revenue from Operation.

##### ***Employee Benefit Expenses***

Employee Benefit expenses were ₹ 214.54 lakhs representing 2.85% of Total Income for the period ended December 31, 2023. Employee Benefit Expenses mainly includes Salaries and wages, Staff welfare expenses, Director's Remuneration, Gratuity, and Contributions to Provident and other funds.

##### ***Finance Cost***

Finance expense were ₹ 90.95 lakhs representing 1.21% of Total Income for the period ended December 31, 2023. Finance costs include interest expense on Term Loans & Cash credit availed from Bank and Other borrowing costs.

##### ***Depreciation and Amortization***

The Depreciation and amortization expense were ₹ 9.07 lakh representing 0.12% of Total Income for the period ended December 31, 2023. Depreciation mainly includes depreciation on our Building, Motor vehicles, Office equipment, Plant and Machinery, Computer, and Furniture & Fixtures.

##### ***Other Expenses***

Other Expenses were ₹ 219.63 lakhs representing 2.91% of Total Income for the period ended December 31, 2023. Other expense mainly includes Freight Expenses, Insurance Expense, Site Expenses & Other Deduction, Labour Charges, Travelling Expenses, Professional & Legal Fees, Rates & Taxes, Tender Fees, Testing, Inspection Charges & Design Expenses and Other Miscellaneous Expenses.

##### ***Profit before Tax***

Our company's Profit before Exceptional Items and Tax for the period ended December 31, 2023 was 9.42% of the total income. The Profit before Exceptional Items and Tax was ₹ 710.10 lakhs for the period ended December 31, 2023.

##### ***Profit after Tax (PAT)***

Our company recorded PAT of ₹ 528.27 lakhs for the period ended December 31, 2023. Profit after Tax was 7.01% of Total Income of our company for the period ended on December 31, 2023.

#### **RESULTS OF OUR OPERATION**



The following table sets forth detailed total income data from our Restated Statement of Profit and Loss for the financial years 2023, 2022 and 2021, the components of which are also expressed as a percentage increase from previous year.

(₹ in Lakhs)

Particulars	For the Year end on March 31,		
	2023	2022	2021
<b>Revenue from operations</b>	<b>10,148.70</b>	<b>6,184.32</b>	<b>4,696.89</b>
% of growth	64.10%	31.67%	-
Other Income	17.83	18.45	22.75
% of growth	-3.34%	-18.91%	-
<b>Total Income</b>	<b>10,166.54</b>	<b>6,202.77</b>	<b>4,719.64</b>
% of growth	63.90%	31.42%	-
<b>Expenses</b>			
<b>Cost of material consumed</b>	<b>8439.64</b>	<b>4827.83</b>	<b>3541.05</b>
% of growth	74.81%	36.34%	-
Purchase of stock-in-trade	247.09	441.88	402.28
% of growth	-44.08%	9.84%	-
Employee benefits expense	272.84	249.27	203.41
% Increase/(Decrease)	9.46%	22.55%	-
Finance Costs	87.35	3.72	9.38
% Increase/(Decrease)	2248.23%	-60.33%	-
Depreciation and amortization expenses	13.35	10.07	11.24
% Increase/(Decrease)	32.50%	-10.39%	-
Other expenses	298.37	315.89	290.79
% Increase/(Decrease)	-5.55%	8.63%	-
<b>Total Expenses</b>	<b>9,358.64</b>	<b>5,848.66</b>	<b>4,458.14</b>
<b>% to Total Income</b>	<b>92.05%</b>	<b>94.29%</b>	<b>94.46%</b>
<b>Profit before Tax and Exceptional Items</b>	<b>807.90</b>	<b>354.11</b>	<b>261.50</b>
<b>% to Total Income</b>	<b>7.95%</b>	<b>5.71%</b>	<b>5.54%</b>
Exceptional Items	-	-	-
Profit before Tax	807.90	354.11	261.50
Total tax expense	206.75	96.11	59.91
<b>Profit and Loss after tax for the Year as Restated</b>	<b>601.15</b>	<b>258.00</b>	<b>201.59</b>
<b>% to Total Income</b>	<b>5.91%</b>	<b>4.16%</b>	<b>4.27%</b>
<b>% Increase/(Decrease)</b>	<b>133.00%</b>	<b>27.98%</b>	<b>-</b>

#### COMPARISON OF FY 2022-23 WITH FINANCIAL YEAR 2021-22:

##### TOTAL INCOME:

##### *Revenue from operations (RFO)*

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Our Revenue from Operation has increased from ₹ 6,184.32 Lakhs in FY 2021-22 to ₹ 10,148.70 Lakhs in FY 2022-23 showing an increase of 64.10% from previous year i.e. FY 2021-22. Revenue from operations increased primarily due to increase in Income from Work Contract Services. With Increase in experience, Company's Order Book value also increased and Subsequently, Company's Income from Work Contract Services also increased. Revenue under the head Operation and Maintenance constitutes 3.43%, whereas Revenue from Supply Installation Testing and commissioning constitutes 88.46% and Sale of Products constitutes 8.11% of Revenue from Operation for the financial year ended March 31, 2023. Details of product-service wise bifurcation of revenue and geography wise revenue bifurcation is as follows:

**Product-wise Revenue from operations:****(₹ in Lakhs)**

Particulars	For the year ended March 31, 2023	% of RFO	For the year ended March 31, 2022	% of RFO
<b>Work Contract Services</b>	<b>9,325.96</b>	<b>91.89%</b>	<b>5,566.63</b>	<b>90.01%</b>
• Operation And Maintenance	347.99	3.43%	415.39	6.72%
• Supply Installation Testing and commissioning	8,977.97	88.46%	5,151.24	83.30%
<b>Sale of Products</b>	<b>822.74</b>	<b>8.11%</b>	<b>617.69</b>	<b>9.99%</b>
<b>Total</b>	<b>10,148.70</b>	<b>100.00%</b>	<b>6,184.32</b>	<b>100.00%</b>

**Geography-wise Revenue from operations:****(₹ in Lakhs)**

Particulars	For the year ended March 31, 2023	% of RFO	For the year ended March 31, 2022	% of RFO
<b>Domestic Sales</b>				
• Gujarat	7,963.89	78.47%	4,689.35	75.83%
• Rajasthan	1,427.20	14.06%	422.68	6.83%
• Madhya Pradesh	423.94	4.18%	436.00	7.05%
• Chandigarh	-	0.00%	50.74	0.82%
• Maharashtra	282.83	2.79%	585.55	9.47%
• Punjab	50.85	0.50%	-	0.00%
<b>Total</b>	<b>10,148.70</b>	<b>100.00%</b>	<b>6,184.32</b>	<b>100.00%</b>

**Other Income:**

Other income of the company decreased to ₹ 17.83 lakhs in FY 2022-23 from ₹ 18.45 Lakhs in FY 2021-22 showing a decrease of 3.34% from previous year i.e. FY 2021-22. Other Income mainly includes Interest Income.

**EXPENDITURE:*****Cost of materials consumed***

Our Cost of materials consumed were ₹ 4,827.83 lakhs in FY 2021-22 as compared to ₹ 8,439.64 lakhs in FY 2022-23 showing a increase of 74.81% from previous year i.e. FY 2021-22. Cost of materials consumed mainly includes Cost of materials consumed mainly includes Opening balance of raw material, Purchase of Raw Material related to Work's Order, Labour Expenses related to Work's Order i.e. directly paid to the labour, reduced by closing balance of Raw material. Increase in Cost of Material consumed was in similar proportion of increase in Revenue from Operation.

***Purchases of Stock-In-Trade***

Our Purchases of Stock-In-Trade were ₹ 247.09 lakhs in FY 2022-23 from ₹ 441.88 Lakhs in FY 2021-22 showing decrease of 44.08% from previous year i.e. FY 2021-22. The material requirement of our company depends on the design, customer specification and work required at the site. However, the major materials used by our company incudes Pumps, Motors, Valves, Crane, Flowmeters, Pipes, transformers, HT Switch Yard, Cables, HT VCB, FCMA Starter, Battery Charger, UPS, PLC-SCADA etc.

***Employee Benefit Expenses***

Employee Benefit expenses were ₹ 272.84 Lakhs in FY 2022-23 as compared to ₹ 249.27 Lakhs in FY 2021-22 showing an increase of 9.46% from previous year i.e. FY 2021-22. Employee Benefit Expenses mainly includes Salaries and wages, Staff welfare expenses, Director's Remuneration, Gratuity, and Contributions to Provident and other funds. Employee Benefit Expenses increased mainly due to salary raise and increase in employee count.

***Finance Cost***

Finance expenses increased to ₹ 87.35 Lakhs in FY 2022-23 as against ₹ 3.72 Lakhs in FY 2021-22. Finance costs include interest expense on Term Loans & Cash credit availed from Bank and Other Borrowing Cost. Increase in finance cost is mainly attributable to Increase in Other Borrowing Cost.

### **Depreciation and amortization expense**

The Depreciation and amortization expense increased to ₹ 13.35 Lakhs in FY 2022-23 as against ₹ 10.07 Lakhs in FY 2021-22 showing an increase of 32.50% from previous year i.e. FY 2021-22. Depreciation mainly includes depreciation on our Building, Motor vehicles, Office equipment, Plant and Machinery, Computer, and Furniture & Fixtures.

### **Other Expenses**

Other Expenses were ₹ 298.37 Lakhs in FY 2022-23 as compared to ₹ 315.89 Lakhs for FY 2021- 22 showing a decrease of 5.55% from previous year i.e. FY 2021-22. Other expense mainly includes Freight Expenses, Insurance Expense, Site Expenses & Other Deduction, Labour Charges, Travelling Expenses, Professional & Legal Fees, Rates & Taxes, Tender Fees, Testing, Inspection Charges & Design Expenses and Other Miscellaneous Expenses. Decrease in Other expense was mainly due to decrease in Insurance Expenses.

### **Profit before Exceptional Items and Tax**

As a result of the reasons mentioned above, we recorded increase in our profit before tax by 128.15% from previous year i.e. FY 2021-22, which amounted to ₹ 807.90 Lakhs in FY 2022-23, as compared to ₹ 354.11 Lakhs in FY 2021-22. The Profit before Tax for the FY 2022-23 was 7.95% of the total Income as compared to 5.71% of total Income in FY 2021-22. With increase in experience, our company was able to acquire contracts which are large in size and with higher margins which resulted in increase in revenues as well as increase in Margins.

### **Profit after Tax (PAT)**

As a result of the reasons mentioned above, we recorded increase in our profit after tax from ₹ 258.00 Lakhs in the FY 2021-22 to ₹ 601.15 Lakhs in the FY 2022-23. The Profit after Tax for the FY 2022-23 was 5.91% of the total income as against 4.16% of total income for the FY 2021-22.

## **COMPARISON OF FY 2021-22 WITH FINANCIAL YEAR 2020-21:**

### **TOTAL INCOME:**

#### **Revenue from operations (RFO)**

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Our Revenue from Operation has increased from ₹ 4,696.89 Lakhs in FY 2021-22 to ₹ 6,184.32 Lakhs in FY 2021-22 showing a growth of 31.67% from previous year i.e. FY 2020-21. Revenue from operations increased primarily due to increase in Income from Work Contract Services. With Increase in experience, Company's Order Book value also increased and Subsequently, Company's Income from Work Contract Services increased. Revenue under the head Operation and Maintenance constitutes 6.72%, whereas Revenue from Supply Installation Testing and commissioning constitutes 83.30% and Sale of Products constitutes 9.99% of Revenue from Operation for the financial year ended March 31, 2022. Details of product-service wise bifurcation of revenue and geography wise revenue bifurcation is as follows:

#### **Product-wise Revenue from operations:**

(₹ in Lakhs)				
Particulars	For the year ended March 31, 2022	% of RFO	For the year ended March 31, 2021	% of RFO
<b>Work Contract Services</b>	<b>5,566.63</b>	<b>90.01%</b>	<b>4,221.28</b>	<b>89.87%</b>
• Operation And Maintenance	415.39	6.72%	373.50	7.95%
• Supply Installation Testing and commissioning	5,151.24	83.30%	3,847.78	81.92%
<b>Sale of Products</b>	<b>617.69</b>	<b>9.99%</b>	<b>475.61</b>	<b>10.13%</b>
<b>Total</b>	<b>6,184.32</b>	<b>100.00%</b>	<b>4,696.89</b>	<b>100.00%</b>

#### **Geography-wise Revenue from operations:**

(₹ in Lakhs)				
Particulars	For the year ended March 31, 2022	% of RFO	For the year ended March 31, 2021	% of RFO
<b>Domestic Sales</b>				
• Gujarat	4,689.35	75.83%	3,987.48	84.90%

Particulars	For the year ended March 31, 2022	% of RFO	For the year ended March 31, 2021	% of RFO
• Rajasthan	422.68	6.83%	337.46	7.18%
• Madhya Pradesh	436.00	7.05%	1.71	0.04%
• Chandigarh	50.74	0.82%	263.73	5.61%
• Karnataka	-	0.00%	5.16	0.11%
• Maharashtra	585.55	9.47%	101.36	2.16%
<b>Total</b>	<b>6,184.32</b>	<b>100.00%</b>	<b>4,696.89</b>	<b>100.00%</b>

#### ***Other Income:***

Other income of the company decreased to ₹ 18.45 lakhs in FY 2021-22 from ₹ 22.75 Lakhs in FY 2020-21 showing decrease of 18.91% from previous year i.e. FY 2020-21. Other Income mainly includes Interest Income and Other Miscellaneous Income.

#### **EXPENDITURE:**

##### ***Cost of materials consumed***

Our Cost of materials consumed were ₹ 3,541.05 lakhs in FY 2020-21 as compared to ₹ 4,827.83 lakhs in FY 2021-22 showing an increase of 36.34% from previous year i.e. FY 2020-21. Cost of materials consumed mainly includes Cost of materials consumed mainly includes Opening balance of raw material, Purchase of Raw Material related to Work's Order, Labour Expenses related to Work's Order i.e. directly paid to the labour, reduced by closing balance of Raw material. Increase in Cost of Material consumed was in proportion of increase in Revenue from Operation.

##### ***Purchases of Stock-In-Trade***

Our Purchases of Stock-In-Trade were ₹ 441.88 lakhs in FY 2021-22 from ₹ 402.28 Lakhs in FY 2020-21 showing increase of 9.84% from previous year i.e. FY 2020-21. The material requirement of our company depends on the design, customer specification and work required at the site. However, the major materials used by our company includes Pumps, Motors, Valves, Crane, Flowmeters, Pipes, transformers, HT Switch Yard, Cables, HT VCB, FCMA Starter, Battery Charger, UPS, PLC-SCADA etc.

##### ***Employee Benefit Expenses***

Employee Benefit expenses was ₹ 249.27 Lakhs in FY 2021-22 as compared to ₹ 203.41 Lakhs in FY 2020-21 showing an increase of 22.55% from previous year i.e. FY 2020-21. Employee Benefit Expenses mainly includes Salaries and wages, Staff welfare expenses, Director's Remuneration, Gratuity, and Contributions to Provident and other funds. Employee Benefit Expenses increased mainly due to salary raise.

##### ***Finance Cost***

Finance expenses decreased to ₹ 3.72 Lakhs in FY 2021-22 as against ₹ 9.38 Lakhs in FY 2020-21 showing a change of 60.33% from previous year i.e. FY 2020-21. Finance costs include interest expense on Term Loans & Cash credit availed from Bank and Other Borrowing Cost.

##### ***Depreciation and amortization expense***

The Depreciation and amortization expense decreased to ₹ 10.07 Lakhs in FY 2021-22 as against ₹ 11.24 Lakhs in FY 2020-21. Depreciation mainly includes depreciation on our Building, Motor vehicles, Office equipment, Plant and Machinery, Computer, and Furniture & Fixtures.

##### ***Other Expenses***

Other Expenses increased to ₹ 315.89 Lakhs in FY 2021-22 from ₹ 290.79 Lakhs for FY 2020- 21 showing an increase of 8.63% from previous year i.e. FY 2020-21. Other expense mainly includes Freight Expenses, Insurance Expense, Site Expenses & Other Deduction, Labour Charges, Travelling Expenses, Professional & Legal Fees, Rates & Taxes, Tender Fees, Testing, Inspection Charges & Design Expenses and Other Miscellaneous Expenses. Decrease in Other expense was mainly due to decrease in Insurance Expenses. Other Expenses increased mainly on account of Conveyance, Fright and Travelling Expenses.

##### ***Profit before Exceptional Items and Tax***

As a result of the reasons mentioned above, we recorded increase in our profit before tax by 35.41% from previous year i.e. FY 2020-21, which amounted to ₹ 354.11 Lakhs in FY 2021-22, as compared to ₹ 261.50 Lakhs in FY 2020-21. The Profit before Tax for the FY 2021-22 was 5.71% of the total Income as compared to 5.54% of total Income in FY 2020-

21. With increase in experience, our company was able to acquire contracts which are large in size and with higher margins which resulted in increase in revenues as well as increase in Margins.

**Profit after Tax (PAT)**

On account of factors mentioned above, we recorded an increase of 27.98% in our profit after tax from ₹ 201.59 Lakhs in the FY 2020-21 to ₹ 258.00 Lakhs in the FY 2021-22. The Profit after Tax for the FY 2021-22 was 4.16% of the total income as against 4.27% of total income for the FY 2020-21.

**DISCUSSION ON THE STATEMENT OF CASH FLOWS**

The following table sets forth certain information relating to our Company’s statement of cash flows for the periods indicated:

(Amount ₹ in Lakhs)

Particulars	For the Period / Financial Year Ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net cash flows generated/ (used) from operating activities	(482.65)	(414.21)	503.87	(47.95)
Net cash flows generated/ (used in) investing activities	(402.87)	(138.13)	(308.90)	156.14
Net cash flows generated/ (used in)/generated from financing activities	718.00	544.21	(136.61)	(41.97)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(167.52)</b>	<b>(8.13)</b>	<b>58.37</b>	<b>66.22</b>

**Operating activities:**

**For the period ended December 31, 2023**

Net cash used from operating activities was ₹ 482.65 Lakhs. This comprised of the profit before tax of ₹ 710.10 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 9.07 Lakhs, Finance Cost of ₹ 90.95 lakhs and Interest Income of ₹ (8.30) lakhs. The resultant operating profit before working capital changes was ₹ 801.82 Lakhs, which was primarily adjusted for an increase in inventories of ₹ (936.81) lakhs, decrease in Trade Receivable by ₹ 1,152.81 lakhs, decrease in Trade Payable & Other Liabilities of ₹ (1,351.80) lakhs, increase in Loans & Advances & Other Assets amounting by ₹ 33.87 Lakhs, and income tax paid of ₹ (182.54) Lakhs.

**For Financial Year 2022-23**

Net cash used from operating activities was ₹ (414.21) Lakhs. This comprised of the profit before tax of ₹ 807.90 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 13.35 Lakhs, Finance Cost of ₹ 87.35 lakhs and Interest Income of ₹ (17.77) lakhs. The resultant operating profit before working capital changes was ₹ 890.82 Lakhs, which was primarily adjusted for an increase in inventories of ₹ (897.51) lakhs, increase in Trade Receivable by ₹ (1,051.76) lakhs, increase in Trade Payable & Other Liabilities of ₹ 741.06 lakhs, decrease in Loans & Advances & Other Assets amounting by ₹ 112.71 Lakhs, and income tax paid of ₹ (209.54) Lakhs.

**For Financial Year 2021-22**

Net cash inflow from operating activities was ₹ 503.87 Lakhs. This comprised of the profit before tax of ₹ 354.11 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 10.07 Lakhs, Finance Cost of ₹ 3.72 lakhs and Interest Income of ₹ (18.45) lakhs. The resultant operating profit before working capital changes was ₹ 349.45 Lakhs, which was primarily adjusted for an increase in inventories of ₹ (621.21) lakhs, increase in Trade Receivable by ₹ (239.26) lakhs, decrease in Trade Payable & Other Liabilities of ₹ 1,148.78 lakhs, decrease in Loans & Advances & Other Assets amounting by ₹ (37.72) Lakhs, and income tax paid of ₹ (96.17) Lakhs.

**For Financial Year 2020-21**

Net cash used from operating activities was ₹ (47.95) Lakhs. This comprised of the profit before tax of ₹ 261.50 Lakhs, which was primarily adjusted for Depreciation & Amortization Expense of ₹ 11.24 Lakhs, Finance Cost of ₹ 9.38 lakhs and Interest Income of ₹ (22.75) lakhs. The resultant operating profit before working capital changes was ₹ 259.37 Lakhs, which was primarily adjusted for an increase in inventories of ₹ (11.54) lakhs, decrease in Trade Receivable by ₹ 88.96 lakhs, decrease in Trade Payable & Other Liabilities of ₹ (233.77) lakhs, decrease in Loans & Advances & Other Assets amounting by ₹ (83.55) Lakhs, and income tax paid of ₹ (67.42) Lakhs.

**Investing Activities**

**For the period ended December 31, 2023**

Net cash used for investing activities was ₹ (402.87) Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ (9.27) Lakhs, increase in Non-Current Assets and Investment of ₹ (370.40) Lakhs and ₹ (31.50) lakhs respectively, and proceeds from Interest income of ₹ 8.30 Lakhs.

**For Financial Year 2022-23**

Net cash used for investing activities was ₹ (138.13) Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ (4.31) Lakhs, increase in Non-Current Assets of ₹ (151.59) Lakhs, and proceeds from Interest income of ₹ 17.77 Lakhs.

**For Financial Year 2021-22**

Net cash used for investing activities was ₹ (308.90) Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ (20.84) Lakhs, increase in Non-Current Assets of ₹ (306.51) Lakhs, and proceeds from Interest income of ₹ 18.45 Lakhs.

**For Financial Year 2020-21**

Net cash inflow from investing activities was ₹ 156.14 Lakhs, which primarily comprised of cash used for the purchase/Sale of fixed assets (Net) of ₹ (3.60) Lakhs, decrease in Non-Current Assets of ₹ 136.99 Lakhs, and proceeds from Interest income of ₹ 22.75 Lakhs.

**Financing activities**

**For the period ended December 31, 2023**

Net cash inflow from financing activities was ₹ 718.00 Lakhs, which predominantly comprised increase of short-term borrowings of ₹ 810.08 Lakhs, repayment of long-term borrowings of ₹ (2.04) Lakhs, and Interest paid of ₹ (90.95) Lakhs.

**For Financial Year 2022-23**

Net cash inflow from financing activities was ₹ 544.21 Lakhs, which predominantly comprised increase of short-term borrowings of ₹ 231.20 Lakhs, increase of long-term borrowings of ₹ 390.21 Lakhs, and Interest paid of ₹ (87.35) Lakhs.

**For Financial Year 2021-22**

Net cash used from financing activities was ₹ (136.61) Lakhs, which predominantly comprised repayment of short-term borrowings of ₹ (147.67) Lakhs, increase in long-term borrowings of ₹ 13.59 Lakhs, and Interest paid of ₹ (3.72) Lakhs.

**For Financial Year 2020-21**

Net cash used from financing activities was ₹ (41.97) Lakhs, which predominantly comprised repayment of short-term borrowings of ₹ (32.80) Lakhs, repayment of long-term borrowings of ₹ (11.44) Lakhs, and Interest paid of ₹ (9.38) Lakhs.

**INDEBTNESS**

As at December 31, 2023, we had total outstanding indebtedness of ₹ 1,447.63 Lakhs, which comprises of long-term borrowings amounting to ₹ 401.76 Lakhs and Short term borrowing of ₹ 1,045.87 Lakhs. The following table sets out our indebtedness as of December 31, 2023 and March 31, 2023, 2022 and 2021.

(Amount ₹ in Lakhs)

Particulars	For the Period/Financial Year Ended on			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Long term borrowing (excluding current maturity)	401.76	403.80	13.59	-
Short term borrowings (Current maturity of long-term borrowing)	1,045.87	235.79	4.59	152.26
<b>Total</b>	<b>1,447.63</b>	<b>639.59</b>	<b>18.18</b>	<b>152.26</b>

**RELATED PARTY TRANSACTIONS**

For further information please refer “Annexure – IX - Related Party Disclosure” under section “Financial Information” beginning from page no. 164 of this Draft Red Herring Prospectus.

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In the course of undertaking our business, we are exposed to the following risks arising from financial instruments, which include credit risk, liquidity risk and market risk. Our primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on our financial performance.

**Credit Risk**

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Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss. The potential activities where credit risks may arise include from cash and cash equivalents, security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount.

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits, and continuously monitoring the creditworthiness of customers to which our Company grants credit terms in the normal course of business.

### **Liquidity Risk**

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. Our financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We have practiced financial diligence and syndicated adequate liquidity in all business scenarios.

### **Market Risk**

Market risk is the risk that results in changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect our income or the value of our holdings of financial instruments. Our operations result in us being exposed to foreign currency risk on account of trade receivables, trade payables and borrowings. The foreign currency risk may affect our income and expenses, or our financial position and cash flows. The objective of our management of foreign currency risk is to maintain this risk within acceptable parameters, while optimizing returns.

## **EFFECT OF INFLATION**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## **INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:**

### **1) Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

### **2) Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on page no. 23 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

### **3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 23 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### **4) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Apart from the risks as disclosed under Section titled “*Risk Factors*” beginning on page no. 23 in this Draft Red Herring Prospectus, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### **5) Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Increases in revenues are by and large linked to increases in size of contracts and also dependent on the price realization on our services.

**6) Total turnover of each major industry segment in which the issuer company operated.**

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Relevant Industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no. 87 of this Draft Red Herring Prospectus.

**7) Status of any publicly announced new products or business segment.**

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Otherwise as stated in the Draft Red Herring Prospectus and in the section “*Business Overview*” appearing on page no. 100, our company has not publicly announced any new business segment till the date of this Draft Red Herring Prospectus.

**8) The extent to which business is seasonal.**

Our company is Engaged in the field of turnkey projects of supply, installation, testing and commissioning of pumping machineries along with comprehensive operation and maintenance. Initially the core Business of our Company was Infra projects related to water supply scheme involving Pumping Machineries and allied accessories for water and waste water. Business of our company to that extent is not seasonal in nature. Hence, our business is not subject to seasonality or cyclicity.

**9) Any significant dependence on a single or few suppliers or customers.**

The percentage of contribution of our Company’s customer vis-à-vis the total revenue from operations on restated basis respectively for the period ended on December 31, 2023 and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 is as follows:

Particulars	% contribution to revenue from operations			
	For the Period ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Top 1 Customer	17.48%	17.54%	19.92%	14.22%
Top 3 Customers	31.11%	49.60%	48.51%	37.55%
Top 5 Customers	41.84%	66.49%	59.66%	52.00%
Top 10 Customers	60.62%	82.47%	76.36%	79.53%

**Top 10 Customers for the period / year ended December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021.**

For the period ended on December 31, 2023			
Sr. No.	Name of the Customers	Amount (in lakhs)	%
1.	V L Infra Projects Pvt Ltd - Debtors	1,774.12	17.48%
2.	Jay Builders	806.03	7.94%
3.	Executive Engineer Central Work Div - Kanwarsain	576.84	5.68%
4.	Gharpure Engineering and Construction (P) Ltd	566.61	5.58%
5.	Ministry of Railway	522.18	5.15%
6.	The Spun Pipe and Con Co. Baroda Pvt Ltd- Gujarat	488.78	4.82%
7.	Vikas Electricals	435.72	4.29%
8.	Gujarat Water Infrastructure Ltd	360.59	3.55%
9.	Ex. Eng. Mech. Division IGNP Phalodi - Guru Jamnes	320.35	3.16%
10.	The Indian Hume Pipe Co Ltd - Raj PRN Project	301.40	2.97%
<b>TOTAL</b>		<b>6,152.63</b>	<b>60.62%</b>

For the year ended on March 31, 2023			
Sr. No.	Name of the Customers	Amount (in lakhs)	%
1.	The Indian Hume Pipe Co Ltd	1,780.55	17.54%
2.	Gharpure Engineering and Construction (P) Ltd	1,765.33	17.39%
3.	Gujarat Water Infrastructure Ltd	1,487.55	14.66%
4.	GWSSB Gandhinagar - Kudasani	1,278.89	12.60%



<b>For the year ended on March 31, 2023</b>			
5.	Krishna Darshan Environment Care Infra Project Pvt	435.31	4.29%
6.	Ahmedabad Municipal Corporation	429.30	4.23%
7.	Yash EPC Projects Pvt Ltd	380.22	3.75%
8.	Wilo Mather and Platt Pumps Private Limited Sales	282.83	2.79%
9.	Nand Infrastructure & Projects	271.32	2.67%
10.	GWSSB Mehsana= Dharoi	258.52	2.55%
<b>Total</b>		<b>8,369.81</b>	<b>82.47%</b>

<b>For the ended on March 31, 2022</b>			
<b>Sr. No.</b>	<b>Name of the Customers</b>	<b>Amount (in lakhs)</b>	<b>%</b>
1.	The Indian Hume Pipe Co Ltd	1,231.97	19.92%
2.	Gujarat Water Infrastructure Ltd	1,182.68	19.12%
3.	Wilo Mather and Platt Pumps Private Limited Sales	585.35	9.47%
4.	GWSSB Mehsana= Dharoi	369.33	5.97%
5.	Ahmedabad Municipal Corporation	320.41	5.18%
6.	J M Vaghasiya	235.35	3.81%
7.	The Spun Pipe and Con Co. Baroda Pvt Ltd	210.18	3.40%
8.	Krishna Corp India Pvt Ltd	207.79	3.36%
9.	The C.O.Vapi Nagarpalika	193.93	3.14%
10.	Ministry of Railway	185.65	3.00%
<b>Total</b>		<b>4,722.65</b>	<b>76.36%</b>

<b>For the ended on March 31, 2021</b>			
<b>Sr. No.</b>	<b>Name of the Customers</b>	<b>Amount (in lakhs)</b>	<b>%</b>
1.	The Cheif GIDC -VAPI	667.77	14.22%
2.	The Co Vapi Nagarpalika- Vapi	567.91	12.09%
3.	Ahmedabad Municipal Corporation	527.81	11.24%
4.	The Indian Hum Pipe Co. Ltd - Gujarat	347.90	7.41%
5.	Krishna Corp India Pvt Ltd	330.83	7.04%
6.	Jamnagar Municipal Corporation	303.55	6.46%
7.	Gujarat Water Infrastructure Ltd	276.70	5.89%
8.	The Spun Pipe and Con Co. Baroda Pvt Ltd.	263.73	5.61%
9.	Krishna Darshan Enviro Care Infra Project Pvt Ltd	243.72	5.19%
10.	Hariprasad Construction	205.66	4.38%
<b>Total</b>		<b>3,735.58</b>	<b>79.53%</b>

The percentage of contribution of our Company's supplier's vis-à-vis the total Purchases on restated basis respectively for the period ended on December 31, 2023 and for the year ended on March 31, 2023, March 31, 2022 and March 31, 2021 is as follows:

<b>Particulars</b>	<b>% contribution to Purchases</b>			
	<b>For the Period ended December 31, 2023</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Top 1 Supplier	21.93%	24.69%	18.12%	10.58%
Top 3 Suppliers	44.23%	47.03%	31.85%	22.45%
Top 5 Suppliers	55.13%	57.86%	39.50%	31.47%
Top 10 Suppliers	71.07%	69.57%	54.34%	47.27%

**Top 10 Suppliers for the period / year ended December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021.**

<b>For the period ended on December 31, 2023</b>			
<b>Sr. No.</b>	<b>Name of the Suppliers</b>	<b>Amount (in lakhs)</b>	<b>%</b>
1.	Wilo Mather and Platt Pumps Pvt Ltd	1,584.86	21.93%
2.	Indian Electric Corporation	843.62	11.67%
3.	Harsh Engineering	768.44	10.63%

For the period ended on December 31, 2023			
4.	SAI Applied Technologies Pvt Ltd	455.80	6.31%
5.	Gayatri Private Limited	331.80	4.59%
6.	Gupta Traders	311.90	4.32%
7.	Riddhi Associates	251.77	3.48%
8.	Electrotherm (India) Ltd	235.69	3.26%
9.	Bharat Bijlee Limited	186.52	2.58%
10.	VL Infraproject Pvt Ltd	166.59	2.30%
<b>Total</b>		<b>5,137.00</b>	<b>71.07%</b>

For the ended on March 31, 2023			
Sr. No.	Name of the Suppliers	Amount (in lakhs)	%
1.	Wilo Mather and Platt Pumps Pvt Ltd	2,366.16	24.69%
2.	Indian Electric Corporation	1,288.13	13.44%
3.	Harsh Engineering	853.39	8.90%
4.	SAI Applied Technologies Pvt Ltd	620.62	6.48%
5.	Gayatri Private Limited	416.81	4.35%
6.	Gupta Traders	272.16	2.84%
7.	Riddhi Associates	238.51	2.49%
8.	Electrotherm (India) Ltd	206.69	2.16%
9.	Bharat Bijlee Limited	206.04	2.15%
10.	VL Infraproject Pvt Ltd	199.32	2.08%
<b>Total</b>		<b>6,667.83</b>	<b>69.57%</b>

For the ended on March 31, 2022			
Sr. No.	Name of the Suppliers	Amount (in lakhs)	%
1.	Wilo Mather and Platt Pumps Pvt Ltd	1,067.50	18.12%
2.	Indian Electric Corporation	431.28	7.32%
3.	Harsh Engineering	377.38	6.41%
4.	SAI Applied Technologies Pvt Ltd	235.40	4.00%
5.	Gayatri Private Limited	215.42	3.66%
6.	Gupta Traders	195.75	3.32%
7.	Riddhi Associates	178.69	3.03%
8.	Electrotherm (India) Ltd	172.95	2.94%
9.	Bharat Bijlee Limited	169.64	2.88%
10.	VL Infraproject Pvt Ltd	157.16	2.67%
<b>Total</b>		<b>3,201.17</b>	<b>54.34%</b>

For the ended on March 31, 2021			
Sr. No.	Name of the Suppliers	Amount (in lakhs)	%
1.	Wilo Mather and Platt Pumps Pvt Ltd	418.25	10.58%
2.	Indian Electric Corporation	239.50	6.06%
3.	Harsh Engineering	230.10	5.82%
4.	SAI Applied Technologies Pvt Ltd	201.64	5.10%
5.	Gayatri Private Limited	155.05	3.92%
6.	Gupta Traders	146.90	3.71%
7.	Riddhi Associates	143.55	3.63%
8.	Electrotherm (India) Ltd	136.58	3.45%
9.	Bharat Bijlee Limited	98.95	2.50%
10.	VL Infraproject Pvt Ltd	98.76	2.50%
<b>Total</b>		<b>1,869.28</b>	<b>47.27%</b>

#### 10) Competitive conditions:

We face competition from existing and potential competitors which is common for any business. We have, over a period, developed certain competitors who have been discussed in section titles “*Business Overview*” beginning on page no. 100 of this Draft Red Herring Prospectus.

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**SECTION X – LEGAL AND OTHER INFORMATION**  
**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on February 26, 2024, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the Company’s trade payables as per the last restated financial statements.*

**A. LITIGATION INVOLVING THE COMPANY**

**(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

**(b) Criminal proceedings filed by the Company**

1. Criminal Case No. 58292/2020 titled *“H.M. Electro Mech Limited V/s. Opal Construction”* filed U/s. 138 of Negotiable Instruments Act, 1881 before Hon’ble Metropolitan Magistrate Negotiable Instrument Act Court No.30, At Ahmedabad. Company had been issued work order dated 23.08.2018 by Opal Construction to carry out the work and accordingly Company started to work in consonance with the said work order and raised invoices for supply of material and carrying out the work. Opal Construction against the invoices of the Company issued cheque in favor of Company however, upon presentation the said cheque was dishonored by the Opal Construction’s bank under the remark “FUNDS INSUFFICIENT”. Thus, the case has been filed by Company and such case is pending adjudication before Hon’ble Court.

**(c) Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

**(a) Criminal proceedings against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the company.

**(b) Criminal proceedings filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there no pending outstanding criminal proceedings initiated by the Promoters & Directors of the company.

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**(c) Other pending material litigations against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no pending claims related to other pending Proceedings involving Promoters & Directors of the company

**(d) Other pending material litigations filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES OF THE COMPANY**

**(a) Criminal proceedings against the Group Companies of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Group Companies of the company.

**(b) Criminal proceedings filed by the Group Companies of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Group Companies of the company.

**(c) Other pending material litigations against the Group Companies of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Group Companies, which has been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Group Companies of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Group Companies, which has been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Group Companies of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Group Companies.

**D. TAX PROCEEDINGS**

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)
<b>Of the Company</b>		
TDS default	0	0.00
Indirect Tax (GST)	3	72.86
<b>Of the Promoter &amp; Director</b>		
<b>Mita Pandya</b>		
Income Tax	1	0.18
<b>Total</b>	<b>4</b>	<b>73.04</b>

*\*To the extent quantifiable*

**E. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per last audited financial statements, to small scale undertakings and other creditors as material dues for our Company. The trade payables as per Restated Financials for the stub period ended on December 31, 2023 were ₹ 1567.91 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 78.40 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on February 26, 2024. Based on these criteria, details of outstanding dues owed as on December 31, 2023 by our Company on are set out below:

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(₹ in lakhs)

Types of creditors	Number of creditors	Amount involved
Total outstanding dues to micro and small & medium enterprises	0	0.00
Total outstanding dues to creditors other than micro and small & medium enterprises	73	1567.91
Total outstanding dues to Material Creditors	6	1145.84

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 166 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated April 24, 2018 from the Registrar of Companies, Central Registration Centre, under the Companies Act, 2013 as "H M ELECTRO MECH LIMITED" (Company registration no. U45500GJ2018PLC102018)

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on February 26, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated May 20, 2024, under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the SME Platform of BSE Limited (BSE SME) dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated March 22, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated March 11, 2020 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Cameo Corporate Services Limited, for the dematerialization of its shares.

### **APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

#### **Tax Related Approvals**

Sr. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AAECH5198M	Income Tax Department	April 26, 2018	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	H.M. Electro Mech Limited, 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	AHMH06367E	Income Tax Department	April 26, 2018	Valid till Cancelled
3.	GST Registration Certificate - Gujarat	H.M. Electro Mech Limited, 305, Ashram Avenue, B/h Kochrab Ashram Paldi,	24AAECH5198M1Z3	Goods and Services Tax department	Valid from May 26, 2018	Valid till Cancelled

Sr. No.	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		Ahmedabad, Gujarat, 380006				
4.	GST Registration Certificate- Madhya Pradesh	H.M. Electro Mech Limited, 15, Village Pathriya, Taluka Tahsil Dist Damoh, Madhya Pradesh, 470666	23AAECH5198M1Z5	Goods and Services Tax department	Valid from November 27, 2020	Valid till Cancelled
5.	GST Registration Certificate- Rajasthan	H.M. Electro Mech Limited, IInd Floor, Shop No. 4, Mehta ji ki Bari, Udaipur, Rajasthan, 313001	08AAECH5198M2ZW	Goods and Services Tax department	Valid from July 13, 2018	Valid till Cancelled
6.	Professional Tax Registration Certificate	H.M. Electro Mech Limited, 304-305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	PRC015060073	Professional Tax Department Ahmedabad Gujarat	May 24, 2018	Valid till Cancelled
7.	Professional Tax Enrolment Certificate	H.M. Electro Mech Limited, 304-305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	PEC015061022	Professional Tax Department Ahmedabad Gujarat	May 24, 2018	Valid till Cancelled

**Registrations related to Labour Laws:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under Employee State Insurance Act (ESIC)	H.M. Electro Mech Limited, 302-305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	37001062540000999	Employees' State Insurance Corporation, Ahmedabad	June 05, 2015*	Valid till Cancelled
2.	Registration under the Employees Provident fund (EPF)	H.M. Electro Mech Limited, 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	GJ/AHD/50089®	Employees' Provident Fund Organization, Ahmedabad	June 17, 2003®; Last amended July 31, 2018	Valid till Cancelled
3.	Registration under Gujarat Shops and Establishments (Regulation of employment and conditions of Service) Act 2019	H.M. Electro Mech Limited, 302, 303, 304 and 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	PII/VSHP/4000987/02781878	Shop and Establishment Department Amdavad Municipal Corporation Ahmedabad	April 07, 2022; last updated February 13, 2024	Valid till cancelled

***®The original PF registration of the Company was issued in the name of Partnership firm namely M/s H M Engineers, which was later converted to the present Company in April 2018 and the same PF registration was updated with change in constitution of the Firm to Company on July 31, 2018.***

*\*Though the Company was formed on April 24, 2018, the ESIC registration in the name of the company has been issued in year 2015. As confirmed by the company, though the amendment in ESIC took place after conversion of company only but the department has issued the amendment letter in previous date only when this registration was actually taken in the name of the Firm i.e. M/s H M Engineers.*

**Business Related Approvals:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration as an approved Electrical Contractor in Class 'A' in Road and Building Deptt, Govt of Gujarat for tendering for works of R & B Deptt, Irrigation Deptt and Public Health Engineering wing of Gujarat Govt in whole Gujarat	H.M. Electro Mech Limited, 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	11/2022 of Class A	O/o Executive Engineer, R & B Department, Ahmedabad	January 10, 2022	December 31, 2024
2.	Registration as an approved Electrical Contractor in Class 'AA' in Ahmedabad Irrigation Division, Govt of Gujarat for tendering for works of Irrigation Deptt of Gujarat Govt in whole Gujarat	H.M. Electro Mech Limited, 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	AA/3 of Year 2023	O/o Executive Engineer, Ahmedabad Irrigation Division, Ahmedabad	March 18, 2023	December 31, 2025
3.	License as Electrical Contractor from Energy and Petrochemicals Department, Govt of Gujarat for Electrical installation works in Gujarat State	H.M. Electro Mech Limited, Ahmedabad	G/AHD/C-7114	O/o Secretary, Licensing Board, Gandhinagar, Gujarat	November 01, 2018; last renewed on November 02, 2023	November 01, 2028
4.	Temporary License as	H.M. Electro Mech Limited, 305,	IGNP/CE/ELECTRICAL/E-EWSD/I/ 04/ 2022	O/o Chief Engineer,	October 13, 2022;	October 12, 2024




Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
	Electrical Contractor from Indira Gandhi Nahar Pariyojna, Bikaner, Rajasthan	Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006		Indira Gandhi Canal Project, Bikaner	last renewed on November 09, 2023	

**Certifications taken by the Company:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	ISO 9001:2015 Certification for Working in the field of Design, Supply, Installation, Testing and Commissioning of Water and Waste Water Project, Electrification Project, Diesel Generating Sets, Civil Work Pump House, Panel Room, Instrumentation, Plc-Scada	H.M. Electro Mech Limited, 305, Ashram Avenue, B/h Kochrab Ashram Paldi, Ahmedabad, Gujarat, 380006	IN120254A	LMS Certifications P Ltd, Lucknow U.P., India	December 14, 2021; last renewed December 14, 2023	December 13, 2024

**Intellectual Property**

**Trademarks registered/Objected/Abandoned in the name of our company:**

S. No	Brand Name/Logo Trademark	Class	Application number and Date	Owner	Used Since	Authority	Current Status
1.	 Device Mark	37- Construction services; installation and repair services	6255010 dated January 10, 2024	H M Electro Mech Ltd	Proposed to be used	Trade mark registry Ahmedabad	Objected

**Domain Name**

Sr. No	Domain Name and ID	Registry Domain ID	Registrant Name, IANA ID	Creation Date	Registry Expiry Date
1.	www.hmelectromech.com	2275223908_DOMAIN_COM -VRSN	PDR Ltd. d/b/a PublicDomainRegistry.com, IANA ID: 303	June 15, 2018	June 15, 2025

**LICENSES/REGISTRATIONS APPLIED FOR:**

S. No.	Description	Address of Premises	Authority to which application made	Date of Application	Acknowledgement no.	Current Status
NIL						

**LICENSES/REGISTRATIONS TO BE APPLIED FOR:**

S. No.	Description	Purpose	Authority to which application to be made	Stage when required
NIL				

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited.

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES / ENTITIES

The definition of “Group Companies” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Pursuant to a Board resolution dated February 26, 2024 our Board has identified companies with which there were related party transactions, during the period for which financial information is disclosed and formulated a policy to identify other companies which are considered material to be identified as group companies, pursuant to which the following entities are identified as Group Companies of our Company:

### 1. Indcon Panels Private Limited

Except as stated above, there are no companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies.

### 1. Indcon Panels Private Limited (“IPPL”)

#### **Brief Corporate Information**

IPPL was incorporated as “Indcon Panels Private Limited” on July 06, 2015 under the Companies Act, 2013 pursuant to certificate of incorporation was issued by Registrar of Companies, Ahmedabad. The CIN of IPPL is U31906GJ2015PTC083761. Registered Office of IPPL is situated at 28/2/2, Kalidas Mill Compound Gomtipur, Ahmedabad, Gujarat, India, 380021.

#### **Current Nature of Activities / Business Activities**

IPPL is currently engaged in the business of Manufacturing of Electrical and Automation Control Panels.

#### **Board of Directors**

As on date of this Draft Red Herring Prospectus, the following are the Directors of IPPL:

Sr. No.	Name	Designation	DIN
1.	Mohini Rajeshbhai Shah	Director	07191263
2.	Varsha Mahendra Patel	Director	07556394
3.	Mita Dipak Pandya	Director	07556372

#### **Capital Structure**

As on the date of this Draft Red Herring Prospectus, the authorised share capital of IPPL is ₹ 2,00,00,000 divided into 20,00,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of IPPL is ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10 each.

#### **Financial Information**

The brief financial details of IPPL derived from its financial statements for audited financial statements for FY 2023, 2022, 2021 are set forth below:

(₹ in '000 except per share data)

Particulars	For the financial year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	500.00	500.00	500.00
Other Equity	155.01	(317.38)	(404.04)
Net worth	655.01	182.62	95.96
Revenue from operation	-	-	-
Profit / (Loss) after tax	472.39	86.66	82.65
Earnings per Share (face value of ₹ 10 each) (Basis & Diluted)	9.45	1.73	1.65
Net Asset value per share (₹) *	13.10	3.65	1.92

\*NAV per share has been calculated by dividing the Net Asset Value of the company by the outstanding shares for the respective year.

#### **Shareholding Pattern**

The shareholding pattern of IPPL as on the 31<sup>st</sup> March, 2024 is mentioned below:

Sr. No	Name of Shareholder	No of Shares
1.	Rajesh J. Shah	49500
2.	Mohini Rajeshbhai Shah	500
	<b>Total</b>	<b>50000</b>

#### ***Nature and extent of interest of our Promoter***

Our Promoter not holding any Equity Shares in IPPL. Further, our Promoter namely Mita Dipak Pandya also hold directorship in IPPL.

*Financial details of our group companies are available on website of our company under investor tab. Website of our company is [www.hmelectromech.com](http://www.hmelectromech.com).*

#### **PENDING LITIGATIONS**

There is no pending litigation involving any of the above-mentioned group companies which has a material impact on our company. However, for details of Outstanding Litigation against our Company and Group Companies, please refer to Chapter titled “*Outstanding Litigations and Material Developments*” on the Page no. 181 of this Draft Red Herring Prospectus.

#### **GENERAL DISCLOSURE**

- None of our Group Companies have its securities listed on any stock exchange and has made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years.
- None of the above-mentioned Group Companies is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies/Entities.
- Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Company has not been identified as a Wilful Defaulter or Fraudulent Borrower.

#### **COMMON PURSUITS**

Although the main object of our company and our Group companies is similar, we do not have any common business pursuit as the business activities pursued by Group companies is different from our existing and proposed business activities and products.

#### **BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES/ENTITIES /ASSOCIATE COMPANIES**

##### **Existing**

Except as mentioned under “*Annexure IX– Restated Related Party Disclosures*” under Chapter titled “*Restated Financial Information*” beginning on page 164 of the Draft Red Herring Prospectus, there is no business interest among Group Companies.

Additionally, our Company will pay remuneration and salary to our Directors and Key Managerial Personnel as approved by the Board of Directors and/or Shareholders of our Company.

Our Company may also propose to enter into new transactions or transactions beyond the present approval given by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions.

#### **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For details, please refer Chapter titled “*Restated Financial Information*” beginning on page 164 of the Draft Red Herring Prospectus, there is no business interest among Group Companies.

#### **CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “*Restated Financial Statement*” on page no. 164 of this Draft Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

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## SECTION XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

#### Company Resolutions:

The Board of Directors has, pursuant to a resolution passed at its meeting held on February 26, 2024 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on May 20, 2024 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Company has received an In-Principle Approval letter dated [●] from BSE for using its name in this Draft Red Herring Prospectus for listing our shares on the SME Platform of BSE. BSE is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoters, our Directors and our Promoters Group have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

### CONFIRMATIONS

1. Our Company, our Promoters, Promoters Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable.
2. None of the Directors in any manner are associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

1. Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter nor Group Companies/Entities have been identified as willful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
2. Our Directors have not been declared as fugitive economic offenders in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018.

### ELIGIBILITY FOR THE ISSUE

Our company whose post issue paid-up capital is more than ₹ 10 Crore and up to ₹ 25 Crore therefore, our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Platform of BSE Limited and compliance thereof are given hereunder;

#### 1. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.

Our Company is incorporated under the Companies Act, 2013.

#### 2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25.00 Crore.

The present paid-up capital of our Company is ₹ 1000.00 Lakh and we are proposing issue of up to 3700000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our Post Issue Paid up Capital will be ₹ [●] Lakhs which is more than ₹ 10.00 Crores and not more than ₹ 25.00 Crore.

#### 3. Net Worth

Our Company satisfies the criteria of Net Worth which given hereunder based on Restated Financial Statement

(₹ In lakh)

Particulars	For the period / year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth as per Restated Financial Statement	2936.30	2408.03	1806.88	1548.89

#### 4. Net Tangible Asset

The Net Tangible Assets based on Restated Financial Statement of our company as on March 31, 2023 is ₹ 2408.03 Lakhs which is more than ₹ 300.00 Lakhs.

#### 5. Track Record

**The company should have a track record of at least 3 years.**

Our Company was originally established in Year of 2003 as a partnership firm named as ‘M/s H.M. Engineers’ under the Partnership Act, 1932. later it converted from partnership firm to (Joint Stock Company under Part I company) a public limited company named as “H. M. Electro Mech Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated April, 24 2018 issued by the Registrar of Companies Central Registration Centre. The Corporate Identification Number of our Company is U45500GJ2018PLC102018. For details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page no. 139 of this Draft Red Herring Prospectus. Therefore, we are in compliance with criteria of having track record of 3 years.

#### 6. Earnings before Interest, Depreciation and tax

**The company/ proprietorship concern/ registered firm/ LLP should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date.**

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

Particulars	For the period / year ended			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Operating profit (earnings before interest, depreciation and tax and other income) from operations	801.67	890.76	349.45	259.37

#### 7. Leverage Ratio

Leverage ratio of not more than 3:1. Relaxation may be granted to finance companies.

Total Debt / Shareholders Fund as at December 31, 2023 was 0.49 times.

#### 8. Name change

**In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name.**

There is no name change within the last one year in our company.

#### 9. Other Requirements

We confirm that;

- The Company has not been referred to NCLT under IBC.
- There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- The Net worth computation is computed as per the definition given in SEBI (ICDR) Regulations.
- There has been no change in the promoter of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

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- vi. The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
  - vii. None of the Issues managed by Book Running Lead Manager are returned by BSE in last six months from the date of this Draft Red Herring Prospectus.
  - viii. The Company has a website: [www.hmelectromech.com](http://www.hmelectromech.com)
  - ix. 100% of the Promoter's shareholding in the Company is in Dematerialised form.
  - x. Our Company shall mandatorily facilitate trading in demat securities and have entered into tripartite agreement with both the depositories i.e. NSDL & CDSL along with our Registrar for facilitating trading in dematerialized mode. The Company's shares bear an ISIN: INE0DZD01015

We confirm that:

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoter/promoting Company(ies), group companies, companies promoted by the Promoter/promoting companies of the Company.
- ii. There is no regulatory action of suspension of trading against our promoters or companies promoted by our promoters by any stock Exchange having nationwide trading terminals.
- iii. Our Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.
- iv. Our directors are not disqualified/ debarred by any of the Regulatory Authority.
- v. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter/promoting Company(ies), group companies, companies promoted by the Promoter/promoting Company(ies) during the past three years.

**In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:**

1. In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten by the BRLM in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by BRLM, please refer to Section titled "*General Information*" beginning on page no. 46 of this Draft Red Herring Prospectus. - **Noted for Compliance**
2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled "*General Information*" beginning on page no. 46 of this Draft Red herring Prospectus. **Noted for Compliance**
3. 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, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at rate of fifteen per cent per annum and within such time as disclosed in the Issue document and BRLM shall ensure the same.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Issue Document through BRLM immediately up on registration of the Issue Document with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on our Draft Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**SEBI DISCLAIMER CLAUSE**

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED**

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**HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 28, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING 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, AHMEDABAD, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE BSE**

BSE Limited ("BSE") has vide its letter dated [●] given permission to use its name in the Issue 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 Issue 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 promoter, 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 any 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”.

#### **CAUTION- DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**



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The Company, the Directors, accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.hmelectromech.com](http://www.hmelectromech.com) in would be doing so at their own risk.

The Company, the Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.hmelectromech.com](http://www.hmelectromech.com) would be doing so at their own risk.

#### **CAUTION**

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLM, and our Company dated June 06, 2024 and the Underwriting Agreement dated [●] between BRLM and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, Book Running Lead Manager and our Company.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoters Group, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoters Group, affiliates or associates for which they have received, and may in future receive, compensation.

#### **Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not Issue, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, 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 Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft 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 Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft 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 UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption

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from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever required, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus is being filed with BSE Limited, 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400001. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the RoC Office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.

#### **LISTING**

Application is to be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

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 BSE mentioned above are taken within Three Working Days from the Issue Closing Date.

#### **PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY**

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter nor Group Companies/Entities have been identified as wilful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a). makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- (b). makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

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(c). **Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

#### **CONSENTS**

The written consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the BRLM to the Issue, Registrar to the Issue, Bankers to the Company, [●], [●], [●] and [●] to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Red Herring Prospectus/Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus/Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) M/s. S V J K and Associates, Chartered Accountants have provided their written consent to act as Peer review Auditor and expert to the company dated June 10, 2024 for Audit Report to the Restated Financial Information as well as inclusion of Statement of Tax Benefits dated June 10, 2024 and disclosure made in chapter titled “*Objects of the Issue*” for fund deployment certificate dated June 11, 2024 in this Draft Red Herring Prospectus; 2) M/s. Leena Jain has provided their written consent to act as Legal Advisor to the issue dated June 26, 2024 and to inclusion of name as Expert dated June 26, 2024; 3) M/s. S V J K and Associates, Chartered Accountants have provided their written consent to act as expert to the company dated June 10, 2024. Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

#### **EXPERT OPINION**

Except for report and certificates from Peer Review Auditors on financial matter, Practising Company Secretary for the secretarial matters and Legal advisor to the company on Legal matters, we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS BY LISTED GROUP COMPANIES/ SUBSIDIARIES/ ASSOCIATES OF OUR COMPANY**

Other than stated in the chapter titled “*Capital Structure*” beginning on page no. 55 of this Draft Red Herring Prospectus, Our Company have not made any capital issue during the last three years. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries or associates.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM**

For details regarding the price information and track record of the past issue handled by Beeline Capital Advisors Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI is as follows:

**TABLE 1****SME IPO:**

Sr. No.	Issuer Name	Issue Size (₹ in 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
1.	Benchmark Computer Solutions Limited	12.24	66.00	December 21, 2023	80.00	8.14% (+1.15)	-13.64% (+1.62%)	-38.75% (+8.65%)
2.	Indifra Limited	14.04	65.00	December 29, 2023	72.00	(-21.54%) (-1.74%)	-47.15% (+1.80%)	-42.85% (+9.16%)
3.	Australian Premium Solar (India) Limited	28.08	54.00	January 18, 2024	147.00	343.70% (+2.70%)	+320.00% (+3.19%)	N.A.
4.	Konstelec Engineers Limited	28.70	70.00	January 30, 2024	210.00	210.71% (+1.91%)	+148.93% (+4.17%)	N.A.
5.	Fonebox Retail Limited	20.37	70.00	February 02, 2024	200.00	145.00% (+2.40%)	+118.57% (+3.44%)	N.A.
6.	Rudra Gas Enterprise Limited	14.16	63.00	February 15, 2024	119.70	150.75% (+0.50%)	+204.21% (+1.46%)	N.A.
7.	VR Infraspac Limited	20.40	85.00	March 12, 2024	90.00	29.94% (+1.87%)	+66.18% (+4.27%)	N.A.
8.	Pratham EPC Projects Limited	36.00	75.00	March 18, 2024	113.30	139.80% (+0.42%)	362.80% (+6.39%)	N.A.
9.	KP Green Engineering Limited	189.50	144.00	March 22, 2024	200.00	234.24% (+0.35%)	299.31% (+6.19%)	N.A.
10.	TAC Infosec Limited	29.99	106.00	April 05, 2024	290.00	491.27% (-0.17%)	N.A.	N.A.
11.	Greenhitech Ventures Limited	6.30	50.00	April 22, 2024	95.00	170.00% (+0.41%)	N.A.	N.A.
12.	Emmforce Autotech Limited	53.90	98.00	April 30, 2024	186.20	92.14% (+0.03%)	N.A.	N.A.
13.	Winsol Engineers Limited	23.36	75.00	May 14, 2024	365.00	380.00% (+4.97%)	N.A.	N.A.
14.	Piotex Industries Limited	14.47	94.00	May 17, 2024	109.00	-4.26% (+4.16%)	N.A.	N.A.
15.	Rulka Electricals Limited	26.40	235.00	May 24, 2024	525.00	98.19% (+2.37%)	N.A.	N.A.
16.	Beacon Trusteeship Limited	32.52	60.00	June 04, 2024	90.00	N.A.	N.A.	N.A.
17.	United Cotfab Limited	36.29	70.00	June 24, 2024	75.00	N.A.	N.A.	N.A.
18.	Dindigul Farm Product Limited	34.83	54.00	June 27, 2024	102.60	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**MAIN BOARD IPO:**

Sr. No.	Issuer Name	Issue Size (₹ in 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
NIL								

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Issues) managed by the Book Running Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the Book Running lead manager are provided.

**Note:**

1. The S&P BSE Sensex and NSE Nifty are considered as the Benchmark.
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing.
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below.
4. In case 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

**SUMMARY STATEMENT OF DISCLOSURE**

**TABLE 2**

**SME IPO:**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25	9	258.05	-	-	1	5	-	-	-	-	-	-	-	
2023-24	21	770.18	-	-	3	13	3	2	-	2	2	8	1	
2022-23	12	232.94	-	1	2	3	2	4	-	1	1	3	2	
2021-22			N.A.											

**MAIN BOARD IPO:**

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date			Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25			NIL											
2023-24			NIL											
2022-23			NIL											
2021-22			N.A.											

**Notes:**

1. Issue opening date is considered for calculation of total number of IPO's in the respective financial year.
2. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.
3. Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**PROMISE VIS-A-VIS PERFORMANCE**

Since, neither our Company nor our Subsidiaries/Promoter have made any previous rights or public issues during last five years, promise vis-a-vis Performance is not applicable.

**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**

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The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, 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/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

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, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process 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) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Red Herring Prospectus/Prospectus. - **Noted for Compliance**

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Bhavisha Kunal Chauhan	Chairperson	Additional Independent Director
Mahendra Ramabhai Patel	Member	Whole Time Director
Ayush Kamleshbhai Shah	Member	Additional Independent Director

Our Company has appointed Chetankumar Hiralal Solanki as the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Chetankumar Hiralal Solanki**

**Company Secretary and Compliance Officer**

**H.M. Electro Mech Limited,**

305, Ashram Avenue, B/H. Kochrab Ashram,

Paldi, Ahmedabad, Gujarat, 380006, India

**Telephone No.:** +91 079 40092538

**Web site:** [www.hmelectromech.com](http://www.hmelectromech.com)



**E-Mail:** [cs@hmelectromech.com](mailto:cs@hmelectromech.com)

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

#### **PUBLIC ISSUE EXPENSES**

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Advisor to the Issue and Consultants	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	<b>100.00</b>	[●]

#### **Notes:**

- Up to June 08, 2024, Our Company has deployed/incurred expense of ₹ 9.32 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals / Borrowings duly certified by Statutory Auditor, M/s. B V Gajera & Co., Chartered Accountants vide its certificate dated June 11, 2024, bearing UDIN: 24185348BKAUGB8223.*
- Any expenses incurred towards aforesaid issue related expenses during the period from September 30, 2023 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.*
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:*

*Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*  
*Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*  
*^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).*
- The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.*
- Registered Brokers will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*
- SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.*
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.*

*The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.*

#### **FEES PAYABLE TO BRM TO THE ISSUE**

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The total fees payable to the BRLM will be as per the Memorandum of Understanding for Initial Public Offer, a copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of Bidding application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **COMMISSION PAYABLE TO SCSBS**

1. *Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:*

*Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*

*Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*

*^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).*

2. *The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.*
3. *Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*
4. *SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.*
5. *Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.*
6. *Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed [●]/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds [●]/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.*

*The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.*

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 55 of this Draft Red Herring Prospectus, our Company has not Issue any Equity Shares for consideration otherwise than for cash.

#### **LISTED VENTURES OF PROMOTER**

There are none of ventures of our promoter are listed on any recognised stock exchange as on the date of this Draft Red Herring Prospectus:

#### **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**



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There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

**CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS**

Except as disclosed under chapter titled “*Capital Structure*” on page 55 of this Draft Red Herring Prospectus, our Company has not capitalized Reserves or Profits during last five years.

**REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during last five years.

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS**

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Draft Red Herring Prospectus.

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## SECTION XIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the 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 has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on February 26, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on May 20, 2024.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and other applicable laws in this respect and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. For further details, please refer to the chapter titled “Dividend Policy” beginning on Page No. 163 of this Draft Red Herring Prospectus.

#### **Face Value, Issue Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper and Ahmedabad Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange.

The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

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The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on Page No. 76 of this Draft Red Herring Prospectus.

#### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI(LODR), 2015 and the Memorandum and Articles of Association of the Company.

#### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated March 11, 2020.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated March 22, 2024

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (2) working days of closure of Issue.

#### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **Jurisdiction**

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Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one 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 the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be titled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" beginning on Page No. 55 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" beginning on Page No. 247 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. 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 the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

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 (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

## ISSUE PROGRAM

Events	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

*\*\*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 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. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company and the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Issue 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/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock 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.

The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

### Submission of Bids

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**Bid/Issue Period (except the Bid/Issue Closing Date)**

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

**Bid/Issue Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

**On the Bid/Issue Closing Date, the Bids shall be uploaded until:**

- i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs 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.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

**Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not

received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000/- (Rupees One Lac only) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### Migration to Main Board

An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value capital is more than ten crore rupees and up to twenty five crore rupees, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board:

Sr. No.	Eligibility Criteria	Details
1.	Paid up capital and market capitalization	Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores
2.	Promoter holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
3.	Financial Parameters	<ul style="list-style-type: none"> <li>The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange.</li> <li>The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years.</li> </ul>
4.	Track record of the company in terms of listing/ regulatory actions, etc.	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
5.	Regulatory action	<ul style="list-style-type: none"> <li>No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals.</li> <li>No Debarment of company, promoters/promoter group, subsidiary company by SEBI.</li> <li>No Disqualification/Debarment of directors of the company by any regulatory authority.</li> <li>The applicant company has not received any winding up petition admitted by a NCLT.</li> </ul>
6.	Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.

Sr. No.	Eligibility Criteria	Details
7.	Other parameters like No. of shareholders, utilization of funds	<ul style="list-style-type: none"> <li>• No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies.</li> <li>• No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies.</li> <li>• The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform.</li> <li>• The applicant company has no pending investor complaints.</li> <li>• Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.</li> </ul>

### Market Making

The shares issued and transferred through this Issue are proposed to be listed on the SME Platform of BSE Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the SME Platform of BSE Limited. For further details of the market making arrangement, please refer to chapter titled “General Information” beginning on Page No. 46 of this Draft Red Herring Prospectus.

### Arrangements for disposal of Odd Lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

### Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution in the Issue as detailed in the section titled “Capital Structure” beginning on Page No. 55 of this Draft 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. 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 the 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.

### Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be



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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.

**Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further it is mandatory for the investor to furnish the details of his/her depository account, & if for any reasons, details of the account are incomplete or incorrect, the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

**New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ₹ 10 crores and Upto ₹ 25 crores, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the 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*” beginning on Page No. 204 and 215 respectively of this Draft Red Herring Prospectus.

This public issue comprises of up to 3700000 Equity Shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share (the “issue price”) aggregating to ₹ [●]/- Lakhs (“the issue”) by our Company. The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process <sup>(1)</sup>:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	[●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
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 Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment <sup>(3)</sup>	Firm Allotment	Proportionate as follows: [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving	Proportionate	Proportionate

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
		allocation as per (a) above.		
Mode of Bid	Only through the ASBA process.	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds ₹ 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
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 Bid	Only through the ASBA process			

- (1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the issue price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

#### **WITHDRAWAL OF THE ISSUE**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. 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. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Ahmedabad.

## **BID/ISSUE PROGRAMME**

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

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of bids.
- A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of 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 (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

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 only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, 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.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME

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Platform of BSE Limited (“BSE SME”) to act as intermediaries for submitting Application Forms are provided on [www.bsesme.com](http://www.bsesme.com) For details on their designated branches for submitting Application Forms, please see the above mentioned website of SME Platform of BSE Limited (“BSE SME”).

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and this Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

### **BOOK BUILDING PROCEDURE**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from 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. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% 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.

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 BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.**

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.**

### **ISSUE OF SECURITIES IN DEMATERIALISED FORM**

In accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated March 11, 2020.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated March 22, 2024

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall 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. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in

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multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Book Running Lead Manager.

#### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will

also be available for download on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

**Note:** *Electronic Bid Cum Application Forms will also be available for download on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)).*

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 this 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)
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*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and/or Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. 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 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("Cut-Off Time"). Accordingly, RIBs 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. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

#### **WHO CAN BID?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to this Draft Red Herring Prospectus for more details.

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Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)

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#### 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### MAXIMUM AND MINIMUM APPLICATION SIZE

##### 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and Ahmedabad Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Ahmedabad of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) 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.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum

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Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.

- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- e) 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.
- f) 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.
- g) 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.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **Option to Subscribe in the Issue**

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- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
  - b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
  - c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the 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 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 HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name

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of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, please refer chapter titled "*Restrictions on Foreign Ownership of Indian Securities*" beginning on Page No. 245 of this Draft Red Herring Prospectus. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

#### **BIDS BY FPIS**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

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. In case of Bids made by FPIs, a certified copy of the certificate of registration issued

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under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFs AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) 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.

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.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

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The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with 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 this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 01, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's 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, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, please refer chapter titled “*Key Industry Regulations*” beginning on Page No. 133 of this Draft Red Herring Prospectus.

#### **BIDS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCS**

In case of Bids made by Systemically Important NBFCS registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCS are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.



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Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) Equity Shares of a company: the lower of 10%\* of the outstanding equity shares (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;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the 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 (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 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, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in

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the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 Lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 1 (one) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Fifty percent of the Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 and other fifty will be locked in for 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this

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Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “[●]”
- b. In case of Non-Resident Anchor Investors: — “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.

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3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
    - a) the applications accepted by them,
    - b) the applications uploaded by them
    - c) the applications accepted but not uploaded by them or
    - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
  4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
    - (i) The applications accepted by any Designated Intermediaries
    - (ii) The applications uploaded by any Designated Intermediaries or
    - (iii) The applications accepted but not uploaded by any Designated Intermediaries
  5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
  6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;

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- PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who

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shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize 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 BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

#### **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.

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

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

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation) and editions of Ahmedabad (a widely circulated Regional language daily newspaper) (Gujarati being the regional language of Ahmedabad, where our Registered Office is located).

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In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will Issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

##### ***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 should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB 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;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. 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;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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 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, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. 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

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- 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;
15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
  16. Ensure that the Demographic Details are updated, true and correct in all respects;
  17. 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;
  18. Ensure that the category and the investor status is indicated;
  19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
  20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
  21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
  22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
  23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
  24. 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;
  25. RIBs 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, RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
  26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs 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](http://www.sebi.gov.in)); and
  27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.



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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 for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. 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 a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. 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;
16. 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);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a RIB;
19. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
24. If you are RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
25. Do not Bid if you are an OCB; and
26. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

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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 can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please refer the section entitled “*General Information*” and “*Our Management*” beginning on Page No. 46 and 142 of this Draft Red Herring Prospectus, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please refer the section titled “*General Information*” beginning on Page No. 46 of this Draft Red Herring Prospectus.

#### **OTHER INSTRUCTIONS FOR THE BIDDERS JOINT BIDS**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **MULTIPLE BIDS**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **INVESTOR GRIEVANCE**

In case of any pre- issue or post issue related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **NOMINATION FACILITY TO BIDDER**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

#### **SUBMISSION OF BIDS**

- (a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- (b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the RHP.

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, 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 RIBs 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 RIBs 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 submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

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7. Bids submitted without the signature of the First Bidder or sole Bidder;
  8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
  9. 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;
  10. GIR number furnished instead of PAN;
  11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
  12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
  13. Bids accompanied by stock invest, money order, postal order or cash; and
  14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

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, please refer section titled “*General Information*” beginning on Page No. 46 of this Draft 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 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.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

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## ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors 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. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

### BASIS OF ALLOTMENT

#### a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### c. For QIBs

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 [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●] % of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

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- Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. Allotment To Anchor Investor (If Applicable)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

a) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

c) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
- in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**a) Basis of Allotment for QIBs 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 Limited (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

c) For Bids where the proportionate allotment works out to less than [●] Equity Shares the allotment will be made as follows:

- Each successful Bidder shall be allotted [●] equity shares; and
- The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

b) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment

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of [●] Equity Shares.

- c) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red herring Prospectus.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director / Managing Director of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

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### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

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2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
  3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
    - a) Each successful applicant shall be allotted [●] equity shares; and
    - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
  4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
  5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **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 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on March 11, 2020.
  - b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on March 22, 2024.
- The Company's Equity shares bear an ISIN- INE0DZD01015
  - An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
  - The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
  - Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
  - Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
  - If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.



- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*“Any person who:*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% 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/- 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/- Lakhs or with both.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid 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;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder 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;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

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- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ 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 days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
  - if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.
  - If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.
- Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- The Book Running Lead Manager will that the complaints or comments received in respect of the Issue will be attended expeditiously and satisfactorily.

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## RESTRICTION 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 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. Foreign investment is allowed up to 100% under automatic route in our Company.

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 Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DIPP”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DIPP issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. For more details, please refer chapter titled “*Issue Procedure*” beginning on Page No. 215 of this Draft Red Herring Prospectus.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. For more details, please refer chapter titled “*Issue Procedure*” beginning on Page No. 215 of this Draft Red Herring Prospectus.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DIPP and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt 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.

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Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

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**DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

**ARTICLES OF ASSOCIATION**

**OF**

**H.M. ELECTRO MECH LIMITED**

<b>Title of Articles</b>	<b>Article Number</b>	<b>Content</b>
<b>Constitution of the Company</b>		The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.
<b>Interpretation Clause</b>		<p>The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:</p> <p>'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.</p> <p>'The Board' or 'The Board of Directors' means the duly constituted Board of Directors of the Company.</p> <p>'Meeting' or 'General Meeting' means a meeting of Directors or Members or creditors as the case may be</p> <p>'The Company' or 'This Company' means H.M. Electromech Limited.</p> <p>'Directors' means the Directors for the time being of the Company, appointed in terms of these Articles or as the case may be, the directors assembled at a board.</p> <p>'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.</p> <p>'Members' means members of the Company holding a share or shares of any class.</p> <p>'Month' shall mean a calendar month.</p> <p>'Paid-up' shall include 'credited as fully paid-up'.</p> <p>'Person' shall include any corporation as well as individual.</p> <p>'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.</p> <p>'Section' or 'Sec.' means Section of the Act.</p> <p>Words importing the masculine gender shall include the feminine gender.</p> <p>Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.</p> <p>'Ordinary Resolution' and 'Special Resolution' means Ordinary Resolution and Special Resolution as defined by Section 114 in the Act.</p> <p>'The Office' means the Registered Office for the time being of the Company.</p> <p>'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.</p> <p>'Proxy' includes Attorney duly constituted under a Power of Attorney.</p> <p>Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the</p>

Title of Articles	Article Number	Content
		<p>provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.</p> <p>The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.</p> <p>Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.</p> <p>Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.</p> <p>The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.</p> <p>The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:</p> <p>I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.</p>



Title of Articles	Article Number	Content
		<p>and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.</p> <p>For every certificate issued under the last preceding Article, no fee shall be charged by the Company.</p>
<p><b>Directors may issue new Certificate(s)</b></p> <p><b>Trust not recognised</b></p>		<p>Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.</p> <p>Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>
<p><b>Power to pay commission</b></p>		<p>The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.</p>
<p><b>Issue other than for cash</b></p> <p><b>Acceptance of shares</b></p>		<p>The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.</p> <p>To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.</p> <p>a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.</p> <p>b) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.</p> <p>An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance</p>



Title of Articles	Article Number	Content
<b>Modification of Rights</b>		<p>of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder</p> <p><b>Power of modify shares</b></p> <p>The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act</p>
<p><b>Issue of further shares with disproportionate rights</b></p> <p><b>Not to issue shares with disproportionate rights</b></p>		<p>Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking paripassu therewith.</p> <p>The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.</p>
<p><b>Lien</b></p> <p><b>Company's lien on shares</b></p>		<p>The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.</p>
<p><b>As to enforcing lien by sale</b></p>		<p>For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolventy of the register holder.</p>
<p><b>Authority to Transfer</b></p>		<p>To give effect to such sale, the Board of Directors may authorize any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.</p>
<p><b>Application of proceeds of sale</b></p>		<p>The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.</p>
<p><b>Liability of joint holders of shares</b></p> <p><b>Person by whom instalments are payable</b></p>		<p>The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share or shares.</p> <p>If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.</p>

Title of Articles	Article Number	Content
<p><b>Calls on Shares</b></p> <p><b>Length of Notice of call</b></p> <p><b>Sum payable in fixed instalments to be deemed calls</b></p>		<p>Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.</p> <p>Not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.</p> <p>If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or instalment accordingly.</p>
<p><b>When call deemed to have been made</b></p>		<p>A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.</p>
<p><b>When interest on call or instalment payable</b></p>		<p>If the sum payable in respect of any call or, instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.</p>
<p><b>Sums payable at fixed times to be treated as calls</b></p>		<p>The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.</p>
<p><b>Payment of call-in advance</b></p>		<p>The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits</p>
<p><b>Transfer and Transmission of Shares</b></p> <p><b>Transfer</b></p>		<p>a) The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.</p> <p>b) The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.</p>

Title of Articles	Article Number	Content
<b>Form of transfer</b>		<p>Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.</p> <p>c) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be affected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.</p> <p>d) For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.</p> <p>e) Nothing in Sub-clause d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law</p> <p>Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act</p>
<b>Board's right to refuse to register</b>  <b>No transfer to infant, etc.</b>  <b>Endorsement of transfer and issue of certificate</b>  <b>Custody of transfer</b>		<p>The Board, may, at its absolute discretion and without assigning any reason, decline to register</p> <ol style="list-style-type: none"> <li>1. The transfer of any share, whether fully paid or not, to a person of whom it does not approve or</li> <li>2. Any transfer or transmission of shares on which the Company has a lien <ol style="list-style-type: none"> <li>a. Provided that registration of any 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 a lien on the shares.</li> <li>b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.</li> <li>c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.</li> </ol> </li> </ol> <p>The provisions of this clause shall apply to transfers of stock also.</p> <p>No transfer shall be made to an infant or a person of unsound mind.</p> <p>Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.</p> <p>The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more</p>

Title of Articles	Article Number	Content
<p data-bbox="156 271 437 300"><b>Register of members</b></p> <p data-bbox="156 768 437 860"><b>Company's right to register transfer by apparent legal owner</b></p>		<p data-bbox="595 271 1437 389">a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.</p> <p data-bbox="595 409 959 439"><b>Closure of Register of members</b></p> <p data-bbox="595 459 1437 636">b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.</p> <p data-bbox="595 656 1102 685"><b>When instruments of transfer to be retained</b></p> <p data-bbox="595 705 1437 792">All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same</p> <p data-bbox="595 813 1437 1234">The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.</p>
<p data-bbox="156 1256 437 1344"><b>Further right of Board of Directors to refuse to register</b></p>		<p data-bbox="595 1270 1437 1357">a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.</p> <p data-bbox="595 1377 1437 1496">b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.</p> <p data-bbox="595 1516 1437 1727">c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.</p> <p data-bbox="595 1747 1437 1834">d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to:</p> <p data-bbox="671 1854 1437 1915">i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.</p> <p data-bbox="671 1935 1437 2022">ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.</p>

Title of Articles	Article Number	Content
		<ul style="list-style-type: none"> <li>iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.</li> <li>iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.</li> <li>v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.</li> <li>vi. Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor notwithstanding that the residual holding shall be below hundred (100).</li> </ul>
		<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
<p><b>Rights to shares on death of a member for transmission</b></p>		<p>In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.</p> <p>In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.</p> <p>Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.</p> <p>Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.</p> <p>Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.</p>
<p><b>Rights and liabilities of person</b></p>		<ol style="list-style-type: none"> <li>1. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as herein, after provided elect either to be registered himself as a holder of the share or</li> </ol>

Title of Articles	Article Number	Content
		<p>a. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>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.</p>
<b>Notice by such a person of his election</b>		<p>If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer had been signed by that member.</p>
		<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer</p> <p>the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
		OPC
<b>Forfeiture of Shares</b> <b>If call or instalment not paid, notice may be given</b>		<p>If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or 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. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.</p>
<b>Form of Notice</b>		<p>The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.</p>
<b>Partial payment not to preclude forfeiture</b>		<p>Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.</p>

Title of Articles	Article Number	Content
<p><b>If notice not complied with, shares may be forfeited</b></p> <p><b>Notice after forfeiture</b></p>		<p>If the requirements of any such notice as, aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.</p> <p>When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.</p>
<p><b>Boards' right to dispose of forfeited shares or cancellation of forfeiture</b></p>		<p>A forfeited or surrendered share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit</p>
<p><b>Liability after forfeiture</b></p> <p><b>Effect of forfeiture</b></p>		<p>A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.</p> <p>The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.</p>
<p><b>Evidence of forfeiture</b></p> <p><b>Validity of such sales</b></p>		<p>A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any ) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p> <p>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p>
<p><b>Non-payment of sums payable at fixed times</b></p>		<p>The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.</p>

Title of Articles	Article Number	Content
<b>No transfer to infant, etc.</b>		<p>a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:</p> <ol style="list-style-type: none"> <li>1. increase its share capital by such amount as it thinks expedient by issuing new shares;</li> <li>2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;</li> <li>4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.</li> <li>5. a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</li> </ol>
		<p>Subject to the provisions of section 61, the company may, by ordinary resolution, — consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; 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.</p>
<p><b>Conversion of Shares</b></p> <p><b>Transfer of stock</b></p> <p><b>Right of stockholders</b></p> <p><b>Applicability of regulations to stock and stockholders</b></p>		<p>The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa</p> <p>The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage</p> <p>Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.</p>
<b>Reduction of capital, etc. by Company</b>		<p>The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law: its share capital;</p>



Title of Articles	Article Number	Content
<b>Surrender of Shares</b>		<p>any capital redemption reserve account; or any share premium account.</p> <p>The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.</p>
<b>Capitalisation of Profits</b>		<p>The Company in General Meeting, may on the recommendation of the Board, resolve:</p> <ol style="list-style-type: none"> <li>1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and</li> <li>2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.</li> <li>3. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:</li> <li>4. paying up any amount for the time being unpaid on any share held by such members respectively;</li> <li>5. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or</li> <li>6. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).</li> <li>7. A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.</li> <li>8. The Board shall give effect to resolutions passed by the Company in pursuance of this Article.</li> </ol>
<b>Powers of Directors for declaration of Bonus</b>		<ol style="list-style-type: none"> <li>a. Whenever such a resolution as aforesaid shall have been passed, the Board shall: make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and generally, do all acts and things required to give effect thereto.</li> </ol> <p>The Board shall have full power:</p> <ol style="list-style-type: none"> <li>1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;</li> <li>2. to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid-up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.</li> </ol>



Title of Articles	Article Number	Content
<p><b>Accidental omission to give notice not to invalidate meeting</b></p> <p><b>Special business and statement to be annexed</b></p> <p><b>Quorum</b></p> <p><b>If quorum not present, when meeting to be dissolved and when to be adjourned</b></p> <p><b>Service of documents on the Company</b></p> <p><b>How documents to be served to members</b></p>		<p>The accidental omission is to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.</p> <p>All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> <p>Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.</p> <p>The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:</p> <p>Number of members up to 1000: 5 members personally present</p> <p>Number of members 1000-5000: 15 members personally present</p> <p>Number of members more than 5000: 30 members personally present</p> <p>If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.</p> <p>A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.</p> <p>a) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.</p> <p>b) All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first</p>

Title of Articles	Article Number	Content
<p><b>Members to notify address in India</b></p> <p><b>Service on members having no registered address in India</b></p> <p><b>Service on persons acquiring shares on death or insolvency of members</b></p> <p><b>Notice valid though member deceased</b></p> <p><b>Persons entitled to Notice of General Meeting</b></p>		<p>in the Register, and notice so given shall be sufficient notice to all the holders of such shares.</p> <p>c) Where a document is sent by post:</p> <p>i. service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;</p> <p>a. in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the notice is posted, and in any other case, at the time at which the letter should be delivered in the ordinary course of post.</p> <p>Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.</p> <p>If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears</p> <p>A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred</p> <p>Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.</p> <p>Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;</p> <p>every member of the company, legal representative of any deceased member or the assignee of an insolvent member;</p>

Title of Articles	Article Number	Content
<p><b>Advertisement</b></p> <p><b>Transference, etc. bound by prior notices</b></p> <p><b>How notice to be signed</b></p> <p><b>Authentication of document and proceeding</b></p>		<p>the auditor or auditors of the company; and every director of the company.</p> <p>Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.</p> <p>a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated.</p> <p>Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.</p> <p>Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.</p> <p>Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.</p> <p>Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal</p>
<p><b>Chairman of General Meeting</b></p>		<p>The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.</p>
<p><b>When Chairman is absent</b></p> <p><b>Questions at General Meeting how decided</b></p>		<p>If there is no such Chairman or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.</p> <p>At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the</p>

Title of Articles	Article Number	Content
		fact without proof of the number of proportions of the votes recorded in favour of or against that resolution.
		If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
		OPC
<b>Adjournment of meeting</b>		<p>The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.</p>
<b>Casting vote</b>  <b>Votes</b>		<p>In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.</p> <p>a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.</p> <p>b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.</p> <p>Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.</p>
<b>Joint holders</b>		<p>In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p>
		A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
		<p>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>
<b>Member of unsound mind</b>		A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll vote by proxy.

Title of Articles	Article Number	Content
<p><b>Taking of poll</b></p> <p><b>In what cases poll taken without adjournment</b></p>		<p>If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.</p> <p>A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.</p>
<p><b>Business may proceed notwithstanding demand for poll</b></p> <p><b>No member entitled to vote while call due to Company</b></p>		<p>A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p> <p>No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.</p>
		<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>
<p><b>Instrument of proxy</b></p> <p><b>Form of proxy</b></p>		<p>a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.</p> <p>b. A body corporate (whether a company within the meaning of this Act or not) may:</p> <ol style="list-style-type: none"> <li>1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;</li> <li>2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.</li> <li>3. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.</li> </ol> <p>Any instrument appointing a proxy may be a two-way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11</p>
<p><b>Instrument of proxy to be deposited at the office</b></p>		<p>The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.</p>

Title of Articles	Article Number	Content
<p><b>Proxies permitted on polls</b></p> <p><b>Validity of vote by proxy</b></p>		<p>On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.</p> <p>A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>
<p><b>Directors</b></p> <p><b>Qualification of Directors</b></p> <p><b>Disclosure of interest of Directors</b></p>		<p>Number of Directors</p> <p>The number of Directors and the names of the first Directors shall be determined in writing by the subscribers of the Memorandum or a majority of them.</p> <p>The First Directors of the Company are:</p> <p>Mahendra Kumar Ramabhai Patel Dipak Padmakant Pandya Varshaben Mahendrabhai Patel Mitaben Dipakbhai Pandya</p> <p>Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.</p> <p>Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.</p> <p>Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.</p> <p>a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.</p> <p>b. Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.</p>



Title of Articles	Article Number	Content
<p><b>Rotation of Directors</b></p> <p><b>Retiring Directors eligible for re-election</b></p> <p><b>Which Directors to retire</b></p> <p><b>Retiring Directors to remain in office till successors are appointed</b></p> <p><b>Power of General Meeting to increase or reduce number of Directors</b></p> <p><b>Power to remove Directors by ordinary resolution</b></p> <p><b>Rights of persons other than retiring Directors to stand for Directorships</b></p>		<p>c. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.</p> <p><b>Rotation and retirement of Directors</b> At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.</p> <p>A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto</p> <p>The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.</p> <p>Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.</p> <p>Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article and may also determine in what rotation the increased or reduced number is to retire</p> <p>Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.</p> <p>Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be “along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25%</p>



Title of Articles	Article Number	Content
<p><b>Casual vacancy</b></p> <p><b>Vacation of office by Directors</b></p> <p><b>Alternate Directors</b></p>		<p>If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.</p> <p>The office of a Director shall be vacated if:</p> <ol style="list-style-type: none"> <li>1. he is found to be unsound mind by a Court of competent jurisdiction;</li> <li>2. he applies to be adjudicated as an insolvent;</li> <li>3. he is an undischarged insolvent;</li> <li>4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</li> <li>5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;</li> <li>6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.</li> <li>7. he has not complied with Subsection (3) of Section 152</li> <li>8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.</li> <li>9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;</li> <li>10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.</li> <li>11. he becomes disqualified by an order of a court or the Tribunal</li> <li>12. he is removed in pursuance of the provisions of the Act,</li> <li>13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</li> <li>14. notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:</li> <li>15. for thirty days from the date of the adjudication, sentence or order;</li> <li>16. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or</li> <li>17. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.</li> </ol> <p>(a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.</p> <p>(b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.</p> <p><b>Independent Directors</b></p> <p>(i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.</p>

Title of Articles	Article Number	Content
<b>Additional Directors</b>		<p>(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and clause 49 of Listing Agreement</p> <p>(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.</p> <p><b>Women Director</b> The Directors shall appoint one women director as per the requirements of section 149 of the Act.</p> <p><b>Key Managerial Personnel</b> Subject to the provisions of the Act, —</p> <p>(i). A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of are solution of the Board;</p> <p>(ii). A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.</p> <p>The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.</p> <p><b>Proportion of retirement by rotation</b> The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.</p>
<b>Corporation/Nominee Director</b>		<p>a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).</p> <p>b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p> <p>c. The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The</p>

Title of Articles	Article Number	Content
<p><b>Rights of Directors</b></p> <p><b>Directors to comply with Section 184</b></p> <p><b>Director's power of contract with Company</b></p> <p><b>Business to be carried on</b></p> <p><b>Managing Director's Power to be exercised severally</b></p>		<p>Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.</p> <p>d. The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.</p> <p>e. Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>f. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Articles.</p> <p>Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matter's equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.</p> <p>Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.</p> <p>Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.</p> <p>The business of the Company shall be carried on by the Board of Directors</p> <p>All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.</p>
		<p>The Board may pay all expenses incurred in getting up and registering the company.</p>
<p><b>Register of Directors and KMP and their shareholding</b></p>		<p>The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.</p>

Title of Articles	Article Number	Content
		All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine
		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.
		<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p>
<p><b>Meeting of the Board</b></p> <p><b>Director may summon meeting</b></p> <p><b>Powers to be exercised by Board only at meeting</b></p>		<p>The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.</p> <p>A Director may at any time request the Secretary to convene a meeting of the Directors and seven days' notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.</p> <p>a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.</p> <p>(a) to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(b) to authorise buy-back of securities under section 68;</p> <p>(c) to issue securities, including debentures, whether in or outside India;</p> <p>(d) to borrow monies;</p> <p>(e) to invest the funds of the company;</p> <p>(f) to grant loans or give guarantee or provide security in respect of loans;</p> <p>(g) to approve financial statement and the Board's report;</p> <p>(h) to diversify the business of the company;</p> <p>(i) to approve amalgamation, merger or reconstruction;</p> <p>(j) to take over a company or acquire a controlling or substantial stake in another company;</p> <p>(k) to make political contributions;</p> <p>(l) to appoint or remove key managerial personnel (KMP);</p> <p>(m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>(n) to appoint internal auditors and secretarial auditor;</p> <p>(o) to take note of the disclosure of director's interest and shareholding;</p> <p>(p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid-up share capital and free reserves of the investee company;</p> <p>(q) to invite or accept or renew public deposits and related matters;</p> <p>(r) to review or change the terms and conditions of public deposit;</p> <p>(s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>such other business as may be prescribed by the Act.</p> <p>b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.</p>

Title of Articles	Article Number	Content
		<p>c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.</p> <p>d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount up to which the funds may be invested and the nature of investments which may be made by the delegate.</p> <p>e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount up to which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.</p>
<b>Question how decided</b>		<p>Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.</p> <p>In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.</p>
<p><b>Right of continuing Directors when there is no quorum</b></p> <p><b>Quorum</b></p>		<p>The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.</p> <p>The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time</p>
<b>Election of Chairman to the Board</b>		<p>If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting</p>
<b>Power to appoint Committees and to delegate</b>		<p>The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit.</p> <p><b>Delegation of powers</b></p> <p>Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act. and listing agreement.</p>

Title of Articles	Article Number	Content
<b>Proceedings of Committee</b>		The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.
<b>Election of Chairman of the Committee</b>		<p>The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.</p> <p>The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.</p>
<b>Question how determined</b>		<p>A Committee may meet and adjourn as it thinks proper.</p> <p>Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.</p>
<b>Acts done by Board or Committee valid, notwithstanding defective appointment, etc.</b>		All acts done by any meeting of the Board or a Committee thereof, or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or any person acting as aforesaid, or that any of them was disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director
<b>Resolution by circulation</b>  <b>Powers and Duties of Directors</b>  <b>Attorney of the Company</b>		<p>Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.</p> <p><b>General powers of Company vested in Directors</b></p> <p>The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.</p> <p>The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.</p>



Title of Articles	Article Number	Content
<p><b>Power to authorise sub delegation</b></p> <p><b>Directors' duty to comply with the provisions of the Act</b></p> <p><b>Special power of Directors</b></p> <p><b>To acquire and dispose of property and rights</b></p>		<p>The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.</p> <p>The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein</p> <p>In furtherance of and without prejudice to the general powers conferred by or implied in Article and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.</p> <p>a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit.</p> <p><b>To pay for property in debentures, etc.</b></p> <p>b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p><b>To secure contracts by mortgages</b></p> <p>c. To secure the fulfilment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.</p> <p><b>To appoint officers, etc.</b></p> <p>d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.</p> <p>e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.</p> <p><b>To refer to arbitration</b></p> <p>f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.</p>

Title of Articles	Article Number	Content
<p><b>Managing Director</b></p>		<p><b>To give receipt</b></p> <p>g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.</p> <p><b>To act in matters of bankrupts and insolvents</b></p> <p>h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p><b>To give security by way of indemnity</b></p> <p>i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p><b>To give commission</b></p> <p>j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.</p> <p><b>To make contracts etc.</b></p> <p>k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p><b>To make bye-laws</b></p> <p>l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.</p> <p><b>To set aside profits for provided fund</b></p> <p>m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.</p> <p><b>To make and alter rules</b></p> <p>n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.</p> <p>o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.</p> <p>a. Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:</p> <p>b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.</p> <p>c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.</p> <p>d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform</p>

Title of Articles	Article Number	Content
<p><b>Whole-time Director</b></p> <p><b>Secretary</b></p> <p><b>Powers as to commencement of business</b></p> <p><b>Delegation of power</b></p>		<p>all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.</p> <p>e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.</p> <p>f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting</p> <p>1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General Meeting, subject to the approval of the Central Government, if any, required in that behalf. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.</p> <p>The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.</p> <p>Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.</p>

Title of Articles	Article Number	Content
<b>Borrowing</b>		<p>Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.</p> <p>The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that 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) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.</p> <p>Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and security of the Company.</p>
		<p>i. In case of a One Person Company—  ii. where the company is having only one director, all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118;  iii. such minute’s book shall be signed and dated by the director;  iv. the resolution shall become effective from the date of signing such minutes by the director.</p>
		<p>· 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;  · A director may be appointed as chief executive officer, manager, company secretary or chief financial officer</p>
<b>Manager</b>		<p>Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board</p>

Title of Articles	Article Number	Content
<b>Common Seal and its Affixture</b>		No common seal is required as per the provisions of the Companies Act, 2013.
<b>Dividends And Reserves</b>  <b>Declaration of Dividends</b>  <b>What to be deemed net profits</b>		<b>Rights to Dividend</b> The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.  The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.  The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.
<b>Interim Dividend</b>  <b>Dividends to be paid out of profits only</b>		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  No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.
<b>Reserve Funds</b>		The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for 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 think prudent not to divide without setting them aside as Reserve.
<b>Method of payment of dividend</b>		Subject to the rights of persons, if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.  No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.  All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly
<b>Set-off of Moneys Due To Shareholders</b>  <b>Deduction of arrears</b>  <b>Adjustment of dividend against call</b>		Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.  The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise  Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be

<b>Title of Articles</b>	<b>Article Number</b>	<b>Content</b>
		made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.
<b>Payment by cheque or warrant</b>		Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.  Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.  Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends
<b>Retention in certain cases</b>		The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same. <b>Receipt of joint holders</b> Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act: transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.
<b>Deduction of arrears</b>		Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.
<b>Notice of Dividends</b>		Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
<b>Dividend not to bear interest</b>  <b>Unclaimed Dividend</b>		No dividend shall bear interest against the Company.  No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013
<b>Transfer of share not to pass prior Dividend</b>		Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
<b>Register of mortgage to be kept</b>		The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.

Title of Articles	Article Number	Content
<b>Inspection of copies of and Register of Mortgages</b>		The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.
<b>Books of account to be kept</b>		The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.
<b>Where books of account to be kept</b>		All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions. The books of accounts shall be open to inspection by any Director during business hours
<b>Inspection by members</b>		The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.
<b>Statement of account to be furnished to General Meeting</b>		The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.
<b>Financial Statements</b>		The Board shall lay before such Annual General Meeting, financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act
<b>Authentication of Financial Statements</b>		Subject to the provisions of Section 129, 133 of the Act, every financial statement of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit
<b>Auditors Report to be annexed</b>		a. Subject to Section 134 of the Act, every financial statement of the Company shall be signed on behalf of the Board by not less than two Directors. b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
<b>Board's Report to be attached to Financial Statements</b>		The Auditor's Report shall be attached to the financial statements a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend. b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any

Title of Articles	Article Number	Content
<p><b>Right of member to copies of Financial Statements</b></p> <p><b>Annual Returns</b></p> <p><b>Audit</b></p>		<p>change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.</p> <p>c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Articles.</p> <p>e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.</p> <p>The Company shall comply with the requirements of Section 136.</p> <p>The Company shall make the requisite annual return in accordance with Section 92 of the Act</p> <p><b>Accounts to be audited</b></p> <p>a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.</p> <p>b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.</p> <p>c. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.</p> <p>d. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.</p> <p>e. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and</p> <p>2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.</p> <p>f. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>g. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a</p>



Title of Articles	Article Number	Content
<p><b>Audit of Branch Offices</b></p> <p><b>Remuneration of Auditors</b></p>		<p>resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.</p> <p>h. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.</p> <p>i. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company</p> <p>The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.</p> <p>The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.</p> <p>(a) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.</p> <p>(b) All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.</p> <p>(c) The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:</p> <ol style="list-style-type: none"> <li>1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and</li> <li>2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.</li> </ol> <p>(d) The Auditor's Report shall also state:</p> <p>(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;</p> <p>(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;</p> <p>(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;</p>

Title of Articles	Article Number	Content
<p><b>Accounts whether audited and approved to be conclusive</b></p> <p><b>Registers, Inspection and copies Thereof</b></p>		<p>(d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;</p> <p>(e) whether, in his opinion, the financial statements comply with the accounting standards;</p> <p>(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;</p> <p>(g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;</p> <p>(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;</p> <p>(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;</p> <p>(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;</p> <p>(k) whether the company has made provision, as required under any law term contracts including derivative contracts;</p> <p>(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.</p> <p>(m) Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.</p> <p>(n) The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.</p> <p>Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.</p> <p>Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days' notice to the company about his intention to do so.</p> <p>Any, Director or Member or person can take copies of such registers of the company by paying ₹ 10 per Page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.</p>
<p><b>Winding up</b></p> <p><b>Company in specie among members</b></p>		<p>Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.</p> <p>If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after</p>

Title of Articles	Article Number	Content
		the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.
<p><b>Charge on uncalled capital</b></p> <p><b>Subsequent assignees of uncalled capital</b></p> <p><b>Charge in favour of Director of indemnity</b></p> <p><b>Indemnity And Responsibility</b></p>		<p>Any uncalled capital of the Company may be included in or charged by mortgage or other security</p> <p>Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.</p> <p>If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.</p> <p><b>Directors' and others' right to indemnity</b></p> <p>a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.</p> <p>b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.</p> <p>c. Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune</p>

Title of Articles	Article Number	Content
		<p>whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.</p>
<p><b>OTHERS</b></p> <p><b>Evidence action by Company against shareholders</b></p> <p><b>Dematerialisation of Securities</b></p>		<p>On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> <p><b>a) Definitions</b>  For the purpose of this Article:  ‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository;  ‘SEBI’ means the Securities and Exchange Board of India;  ‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and  ‘Security’ means such security as may be specified by SEBI from time to time.</p> <p><b>b) Dematerialisation of securities</b>  Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p><b>c) Options for investors</b>  Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p> <p><b>d) Securities in depositories to be in fungible form</b>  All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p><b>e) Rights of depositories and beneficial owners:</b></p> <p>(i). Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(ii). Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii). Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be</p>

Title of Articles	Article Number	Content
<p><b>Debtore</b></p> <p><b>Assignment of debentures</b></p>		<p>deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> <p><b>f) Service of documents</b> Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> <p><b>g) Transfer of securities</b> Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p><b>h) Allotment of securities dealt with in a depository</b> Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p><b>i) Distinctive numbers of securities held in a depository</b> Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.</p> <p><b>j) Register and Index of Beneficial owners</b> The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.</p> <p><b>k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository</b> Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.</p> <p>Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debtore Director" and the term "Debtore Director" means the Director for the time being in office under this Article. The Debtore Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.</p> <p>Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.</p>



Title of Articles	Article Number	Content
<b>Supplying copies of register of holder of debentures</b>		The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures
<b>Right of holders of debentures as to Financial Statements</b>		Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.
<b>Minutes</b>		<p>a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.</p> <p>The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.</p>
<b>Secrecy Clause</b>		<p>a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.</p> <p>b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.</p>
<b>General Authority</b>		Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in these articles.

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## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus, will be delivered to the ROC for registration/submission of the Red Herring Prospectus/Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 305, Ashram Avenue, B/H. Kochrab Ashram, Paldi , Ahmedabad, Gujarat, 380006, India from the date of filing the Red Herring Prospectus with ROC on all Working Days until the Bid/Issue Closing Date. Copies of below mentioned Material Contracts and Documents are also available on the website of the company on [www.hmelectromech.com](http://www.hmelectromech.com)

#### A. MATERIAL CONTRACTS

1. Memorandum of understanding dated June 06, 2024 executed between our Company and Book Running Lead Manager to the Issue.
2. Registrar and Transfer Agent Agreement dated June 06, 2024 executed between our Company and the Registrar to the Issue.
3. Market Making Agreement dated [●] executed between our Company, Book Running Lead Manager and Market Maker to the Issue.
4. Banker to the Issue Agreement dated [●], executed between our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] executed between our Company, Book Running Lead Manager, and Underwriter.
6. Syndicate Agreement dated [●] executed between our Company, Book Running Lead Manager and Syndicate Member.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated March 11, 2020.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated March 22, 2024.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board Resolution dated February 26, 2024 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on May 20, 2024.
3. Statement of Tax Benefits dated June 10, 2024 issued by our peer review Auditors M/s. S V J K and Associates, Chartered Accountants.
4. Copy of Restated Financial Statement and along with Report from the peer review certified auditor M/s. S V J K and Associates, Chartered Accountants for the period ended December 31, 2023 and for the financial year ended on March 31, 2023, 2022 and 2021 dated June 05, 2024 included in this Draft Red Herring Prospectus.
5. Copy of Audited Financial Statement for the year ended on March 2023, 2022 and 2021.
6. Search Report issued by, Practicing Company Secretary, M/s Jalan Alkesh & Associates dated June 28, 2024.
7. Certification from M/s Jalan Alkesh & Associates, Practicing Company Secretary dated June 28, 2024, regarding eligibility of Independent Directors under Section 149(6) of Companies Act, 2013.
8. Copy of Certificate from M/s. B V Gajera & Co., Chartered Accountants dated May 28, 2024 regarding Major completed projects of the company.
9. Copy of Certificate from M/s. B V Gajera & Co., Chartered Accountants dated May 28, 2024 regarding Major Ongoing projects of the company.
10. Copy of Certificate from M/s. B V Gajera & Co., Chartered Accountants dated June 11, 2024 regarding the source and deployment towards the objects of the Offer.
11. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the Book Running Lead Manager to the



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Issue, Registrar to the Issue, Banker to the Issue\*, Market Maker\*, Syndicate Member\* and Underwriter to the Issue\* to act in their respective capacities.

*\* to be obtained prior filing of Red Herring Prospectus.*

12. Due Diligence Certificate from Book Running Lead Manager dated June 28, 2024 addressing SEBI and BSE.

13. Copy of In-principle approval letter dated [●] from the BSE.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**Signed by the Directors of the Company:**

Name	Designation	Signature
Dipak Padmakant Pandya	Chairman and Managing Director	sd/-
Mahendra Ramabhai Patel	Whole Time Director	sd/-
Mita Dipak Pandya	Whole Time Director	sd/-
Bhavisha Kunal Chauhan	Additional Independent Director	sd/-
Aayush Kamleshbhai Shah	Additional Independent Director	sd/-
Harshal Mahendra Patel	Additional Non-Executive Director	sd/-

**Signed by:**

Name	Designation	Signature
Hareshkumar Ambalal Patel	Chief Financial Officer	sd/-
Chetankumar Hiralal Solanki	Company Secretary and Compliance Officer	sd/-

**Place: Ahmedabad**

**Date: June 28, 2024**