



**EFFWA INFRA & RESEARCH LIMITED**  
CIN: U90001MH2014PLC251793

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
G. No. 7, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.	N.A.	Mr. Dhaval H Mirani, Company Secretary & Compliance Officer	<b>Email:</b> <a href="mailto:investor@effwa.co.in">investor@effwa.co.in</a> <b>Telephone:</b> + 91 9833850052	<a href="https://www.effwa.co.in/">https://www.effwa.co.in/</a>

**THE PROMOTERS OF OUR COMPANY ARE DR. VARSHA SUBHASH KAMAL AND MR. SUBHASH RAMAVTAR KAMAL**

**DETAILS OF OFFER TO PUBLIC, PROMOTER/SELLING SHAREHOLDER**

TYPE	FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Offer & Offer for Sale	Up to 53,62,500 Equity Shares aggregating up to ₹ [●] Lakhs	Up to 9,37,500 Equity Shares aggregating up to ₹ [●] Lakhs	Up to 63,00,000 Equity Shares aggregating up to ₹ [●] Lakhs	The Offer is being made in Terms of Regulation 229 (2) and 253 (1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, Non-Institutional Bidders and Retail Individual Bidder, see “Offer Structure” beginning on page 229 of this Draft Red Herring Prospectus.

*OFS: Offer for Sale*

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER, AND THEIR WEIGHTED AVERAGE COST OF ACQUISITION**

NAME	NO. OF SHARES OFFERED	WACA PER EQUITY SHARE (IN ₹)*
Dr. Varsha Subhash Kamal	Up to 4,65,000 Equity Shares aggregating up to ₹ [●] Lakhs.	2.24
Mr. Subhash Ramavtar Kamal	Up to 4,72,500 Equity Shares aggregating up to ₹ [●] Lakhs.	2.33

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 06, 2024.

**RISKS IN RELATION TO THE FIRST OFFER**

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of Equity Shares is ₹10/- each. The Floor Price, Cap Price and Offer Price (determined by our Company and the selling shareholders in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of Book Building Process as stated in “Basis for Offer Price” beginning on page 87 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the offer. For taking an investment decision, Bidders must rely on their own examination of our company and the offer, including the risks involved. The equity shares in the offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 27 of this Draft Red Herring Prospectus.

**COMPANY’S AND PROMOTERS, SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY**

Our company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our company and the offer, which is material in the context of the offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the selling shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Draft Red Herring Prospectus to the extent of information specifically pertaining to them and their respective portion of the offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the selling shareholders assume no responsibility, as a Selling Shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our company or our company’s business or any other selling shareholders or any other person(s).

**LISTING**

The equity shares offered through the Draft Red Herring Prospectus are proposed to be listed on Emerge Platform of NSE (“NSE EMERGE”). Our company has received “In-Principle” approval from the NSE Emerge for using its name in the offer document for the listing of the Equity Shares, pursuant to letter dated [●]. For the purpose of the offer, the designated stock exchange shall be NSE.

**BOOK RUNNING LEAD MANAGER TO THE OFFER**

Name and Logo	Contact Person	Email & Telephone
 SHRENI SHARES LIMITED	Ms. Tanya Goyal	<b>E-mail:</b> <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> <b>Telephone:</b> 022 - 2089 7022

**REGISTRAR TO THE OFFER**

Name and Logo	Contact Person	Email & Telephone
 BIGSHARE SERVICES PVT LTD	Mr. Babu Rapheal C	<b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Telephone:</b> 022 - 6263 8200

**BID/OFFER PROGRAMME**

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

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

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**EFFWA INFRA & RESEARCH LIMITED**

Our Company was originally incorporated under the name "Effwa Infra & Research Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 06, 2014, issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, the status of the Company was changed to public limited and the name of our Company was changed to "Effwa Infra & Research Limited" vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on March 05, 2024. The fresh certificate of incorporation consequent to conversion was issued on May 02, 2024, by Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Centralised Processing Centre. The Corporate Identification Number of our Company is U90001MH2014PLC251793.

**Registered Office:** G. No. 7, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India;

**Telephone:** + 91 9833850052; **Email:** [investor@effwa.co.in](mailto:investor@effwa.co.in); **Website:** [www.effwa.co.in](http://www.effwa.co.in);

**Contact Person:** Mr. Dhaval H Mirani, Company Secretary and Compliance Officer;

**THE PROMOTERS OF OUR COMPANY ARE DR. VARSHA SUBHASH KAMAL AND MR. SUBHASH RAMAVTAR KAMAL**

INITIAL PUBLIC OFFER OF UPTO 63,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE "EQUITY SHARES") OF EFFWA INFRA & RESEARCH LIMITED ("OUR COMPANY" OR "EIRL" OR "THE OFFEROR") AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF FRESH OFFER OF UP TO 53,62,500 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS ("FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 9,37,500 EQUITY SHARES BY DR. VARSHA SUBHASH KAMAL AND MR. SUBHASH RAMAVTAR KAMAL ("SELLING SHAREHOLDERS") AGGREGATING TO ₹ [●] LAKHS ("OFFER FOR SALE") ("PUBLIC OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. NET OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

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

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

This offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the selling shareholder in consultation with the BRLMs may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Offer 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 Offer Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self-Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, please refer to the chapter titled "Offer Procedure" on page 233 of this Draft Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each. The Floor Price, Cap Price and Offer Price (determined by our Company and the selling shareholder in consultation with the Book Running Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "Basis for Offer Price" beginning on page 87 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the offer, including the risks involved. The equity shares in the offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 27 of this Draft Red Herring Prospectus.

**COMPANY'S AND PROMOTERS, SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our company and the offer, which is material in the context of the offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the selling shareholders assume no responsibility, as a selling shareholder, for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our company or our company's business or any other selling shareholders or any other person(s).

**LISTING**

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

**BOOK RUNNING LEAD MANAGER TO THE OFFER****REGISTRAR TO THE OFFER****SHRENI SHARES LIMITED**

(FORMERLY KNOWN AS SHRENI SHARES PRIVATE LIMITED)

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

**Telephone:** 022 - 2089 7022

**E-mail:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

**Investors Grievance e-mail:** [info@shreni.in](mailto:info@shreni.in)

**Contact Person:** Ms. Tanya Goyal

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

**SEBI Registration Number:** INM000012759

**Bigshare Services Pvt. Ltd.****BIGSHARE SERVICES PRIVATE LIMITED**

Office No. S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road, Andheri East,  
Mumbai – 400 093, Maharashtra, India

**Tel:** 022 - 6263 8200

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

**Investor grievance e-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

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

**Contact Person:** Mr. Babu Rapheal C

**SEBI Registration No.:** INR000001385

**OFFER PROGRAMME**

**ANCHOR INVESTOR BID/ OFFER PERIOD:** [●] \*

**BID/OFFER OPENS ON:** [●] \*

**BID/OFFER CLOSES ON:** [●] \*\*

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

\*\*Our Company and the selling shareholder may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBS one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and section titled “*Main Provisions of the Articles of Association*” on page 95, 170, 195, 117 and 256 respectively of this Draft Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
“Effwa”, “the Company”, “our Company” and Effwa Infra & Research Limited	Effwa Infra & Research Limited, a company incorporated in India under the Companies Act, 1956 having its Registered office at G. No. 7, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Offer

#### COMPANY RELATED TERMS

Term	Description
AOA / Articles / Articles of Association	The Articles of Association of Effwa Infra & Research Limited as amended from time to time.
Audit Committee	The Audit Committee of our Company, constituted on May 02, 2024 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 150 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, currently being M/s Gor & Savla, Chartered Accounts, having their office 503, 5 <sup>th</sup> , Floor, Avior, Nirmal Galaxy, Lal Bahadur Shastri Marg, Opp. Johnson & Johnson, P&T Staff Colony, Mulund West, Mumbai - 400080, Maharashtra, India.
Bankers to the Company	Yes Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 150 of this Draft Red Herring Prospectus.
Chairman/ Chairperson	The Chairperson of Board of Directors of our Company being Dr. Varsha Subhash Kamal
CIN	Corporate Identification Number of our Company i.e. U90001MH2014PLC251793
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Ms. Lina Prakash Lad
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mr. Dhaval H Mirani
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company, constituted on May 02, 2024 in accordance with Section 135 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 150 of this Draft Red Herring Prospectus
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each fully paid-up
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.

<b>Term</b>	<b>Description</b>
Group Company	In terms of SEBI ICDR Regulations, the term “ <i>Group Company</i> ” includes companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, any other companies as considered material by our Board, in accordance with the Materiality Policy and as disclosed in chapter titled “ <i>Our Group Company</i> ” beginning on page 168 of this Draft Red Herring Prospectus
Independent Director(s)	Independent Directors on the Board, and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI LODR Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 150 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE0U9101019
Key Management Personnel / KMP	Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 150 of this Draft Red Herring Prospectus
Key Performance Indicators” or “KPIs”	Key financial and operational performance indicators of our Company, as included in “ <i>Basis for Offer Price</i> ” beginning on page 87.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Dr. Varsha Subhash Kamal
MOA / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on May 02, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 150 of this Draft Red Herring Prospectus
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRI / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditors	Auditor having a valid Peer Review certificate in our case being M/s. A Y & Co., Chartered Accountants
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Shall mean promoters of our Company i.e., Dr. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal. For further details, please refer to section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 164 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <i>Our Promoters and Promoter Group</i> ” beginning on page 164 of this Draft Red Herring Prospectus.
Registered Office	The Registered Office of our Company situated at G. No. 7, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.
RoC/ Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra, situated at 100, Everest, Marine Drive, Mumbai – 400002, Maharashtra, India.
Restated Financial Information	Restated Financial Statements for the period ended December 31, 2023 and Financial Years ended on 2023, 2022, and 2021 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act 2013, as amended, the SEBI ICDR Regulations, as amended and the Guidance Note on “ <i>Reports in Company Prospectuses (Revised 2019)</i> ” issued by ICAI, as amended) which comprises the restated summary Statement of Assets & Liabilities, the restated summary Statement

Term	Description
	of Profit and Loss, the restated summary Statement of Cash Flows and restated statement of change in equity along with all the schedules, annexures and notes thereto
Selling Shareholders	Dr. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal
Shareholders	Shareholders of our Company
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal
Stakeholders Relationship Committee	The Stakeholders' Relationship Committee of our Company, constituted on May 02, 2024 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in "Our Management" beginning on page 150 of this Draft Red Herring Prospectus
Senior Management	Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in the chapter titled "Our Management" beginning on page 146 of this Draft Red Herring Prospectus
Whole Time Director	Whole Time Director of our Company being Mr. Subhash Ramavtar Kamal

## KEY PERFORMANCE INDICATORS

Key Performance	Financial	Explanations
Financial KPIs		
Revenue from Operations		Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA		EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin		EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT		Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)		PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on equity (%)		Return on equity (ROE) is a measure of financial performance
Return on capital employed (%)		Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital
Debt-Equity Ratio (times)		Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Net fixed asset turnover ratio (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
Current Ratio (times)		The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year
Net profit ratio (%)		Net Profit Margin (also known as "Profit Margin" or "Net Profit Margin Ratio") is a financial ratio used to calculate the percentage of profit our company produces from its total revenue

## OFFER RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Allotment/Allot/Allotted	Allotment of Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allotment Date	Date on which allotment is made
Allottee (s)	The successful bidder to whom the Equity Shares are being / have been allotted.
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft

<b>Term</b>	<b>Description</b>
	Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and Selling Shareholder in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Offer Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and Selling Shareholders in consultation with the Book Running Lead Manager
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Application Form	The form in terms of which the Applicant shall make an Application, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable).
ASBA Form	A bid cum application form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Draft Red Herring Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank and in this case being [●]
Banker(s) to the Offer and Sponsor Bank Agreement	Agreement dated [●], entered into between our Company, Selling Shareholders, Book Running Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Bid Amount on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the chapter titled “Offer Procedure” beginning on page 233 of this Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity

<b>Term</b>	<b>Description</b>
	Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of [●], an English daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of the [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations.</p> <p>Our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager may, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], the Hindi national daily newspaper and all editions of the [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid / Offer Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Draft Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three working days for all categories of Bidders, other than Anchor Investors</p> <p>Our Company and Selling Shareholders, in consultation with the Book Running Lead Manager, may consider closing the Bid/Offer Period for the QIB Category, one working day prior to the Bid/Offer Closing Date, which shall also be notified in an advertisement in same newspaper in which the Bid/Offer Opening date was published in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise Working Days only</p>
Bidder or Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Manager / BRLM	The Book Running Lead Manager to the Offer, namely, Shreni Shares Limited ( <i>Formerly Known as Shreni Shares Private Limited</i> )
Broker Centres	Broker Centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share

<b>Term</b>	<b>Description</b>
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price finalised by our Company and the Selling Shareholders, in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable), etc
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the <u>Red Herring Prospectus following which Equity Shares will be Allotted in the Offer</u>
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer.  In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.  In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated Market Maker	Rikhav Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders 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 Application Forms are available on the website of the Stock Exchange ( <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform) (“NSE EMERGE”)
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus dated May 10, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the offer, including any addenda or corrigenda thereto
Eligible FPI(s)	FPI(s) that are eligible to participate in the offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares

Term	Description
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it was not unlawful to make an offer or invitation under the offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constituted an invitation to subscribe or purchase for the Equity Shares
Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an offer under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being, [●]
First Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares at or above which the offer Price and the Anchor Investor offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to 53,62,500 Equity Shares aggregating to ₹[●] lakhs by our Company
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document is available on the websites of the Stock Exchange and the BRLM
Gross Proceeds	Gross proceeds of the offer that will be available to our Company
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and NSE
Market Maker Reservation Portion	The Reserved portion of up to [●] Equity shares of ₹10/- each at an Offer Price of ₹[●] aggregating to ₹[●] Lakhs for Designated Market Maker in the Public Offer of our Company
Market Making Agreement	The Agreement among the Market Maker, the Book Running Lead Manager and our Company and the Selling Shareholders dated [●]
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=4</a> 3 or such other website as may be updated from time to time, which was used by UPI Bidders to submit Bids using the UPI Mechanism.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	Up to 5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Net Offer Less Market maker portion of up to [●] Equity Shares of ₹10/- each at price of ₹[●] per Equity Shares aggregating to ₹[●] Lakhs
Net Proceeds	The Offer Proceeds less the offer related expenses. For further details regarding the use of the Net Proceeds and the offer expenses, see “ <i>Objects of the offer</i> ” beginning on page 78 of this Draft Red Herring Prospectus
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non - Institutional Bidders / Non – Institutional Investors / NIIs	All Bidders that are not QIBs, RIBs and who have Bid for Equity Shares, for an amount of more than ₹2.00 lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising of up to [●] Equity Shares which shall be available for allocation to NIIs in accordance with the SEBI ICDR Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
NSE Emerge	SME Platform of NSE for listing of equity shares offered under Chapter IX of the SEBI ICDR Regulations
Offer	The Initial Public Offer of up to 63,00,000 Equity Shares of face value of ₹10/- each for cash at a price of ₹[●] per Equity shares (including premium of ₹[●] per Equity Share) aggregating to ₹[●] Lakhs

<b>Term</b>	<b>Description</b>
Offer Agreement	The agreement dated May 09, 2024, entered amongst our Company, the Selling Shareholder and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The Offer for Sale of up to 9,37,500 Equity Shares aggregating up to ₹[●] Lakhs by Dr. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal
Offer Price	<p>The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.</p> <p>The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and the Draft Red Herring Prospectus.</p>
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “ <i>Objects of the Offer</i> ” on page 78
Price Band	<p>The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof.</p> <p>The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the selling shareholder in consultation with the Book Running Lead Manager, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] edition of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our registered office is located), each with a wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor price and at the Cap Price, and shall be available to the Stock Exchange for the purpose of uploading on their respective website.</p>
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	Bank account opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date.
Public Offer Bank	The banks which are a clearing member and registered with SEBI as a banker to an offer and with whom the Public Offer Account for collection of Bid Amounts from Escrow Account and ASBA Accounts will be opened, in this case being [●]
Qualified Institutional Buyers / QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Portion	The portion of the offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising up to [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
Red Herring Prospectus / RHP	<p>The Red Herring Prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.</p> <p>The Red Herring Prospectus will be filed with the RoC at least three working days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the pricing date</p>
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids

<b>Term</b>	<b>Description</b>
Registrar / Registrar to the Offer	Registrar to the Offer being Bigshare Services Private Limited
Registrar Agreement	The agreement dated May 09, 2024 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the offer
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at <a href="http://www.nseindia.com">www.nseindia.com</a>
Retail Individual Bidders / Retail Individual Investors / RIBs / RIIs	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹2.00 lakhs in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer comprising of up to [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid during the Offer Period or withdraw their Bids until Bid / Offer Closing Date
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and (ii) in relation to ASBA through the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.  In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI 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> and updated from time to time.  In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> respectively, as updated from time to time
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	The share escrow agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	The Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Offer which is registered with SEBI and is eligible to act as a Sponsor Bank in a public offer in terms of applicable SEBI requirements and has been appointed by the Company and the Selling Shareholders, in consultation with the BRLM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of UPI Bidders as per the UPI Mechanism, in this case being [●]

<b>Term</b>	<b>Description</b>
Syndicate Agreement	Syndicate agreement to be entered into between our Company, the Selling Shareholders, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Manager) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer, namely [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Manager and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate / Members of the Syndicate	Together, the Book Running Lead Manager and the Syndicate Members
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Application
Underwriters	The Underwriters in this case are Shreni Shares Limited ( <i>Formerly Known as Shreni Shares Private Limited</i> )
Underwriting Agreement	The Agreement among the Underwriters, Selling Shareholders and our Company dated [●]
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India
UPI Bidders	<p>Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹5.00 lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.</p> <p>Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)</p>
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment

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

## INDUSTRY RELATED TERMS

<b>Term</b>	<b>Description</b>
AAY	Antodaya Ann Yojna
ACC	Advanced Chemistry Cell
ADAS	Advanced Driver-Assistance Systems
ADIO	Abu Dhabi Investment Office
AECOM	Architecture, Engineering, Construction, Operations, and Management
AI	Artificial Intelligence
AIDef	AI in Defence’
AIFs	Alternative Investment Funds
BGs	Bank Guarantees
BOT	Build-Operate-Transfer
BSNL	Bharat Sanchar Nigam Limited
CAD	Current Account Deficit
CAGR	Compound Annual Growth Rate
CAZRI	Central Arid Zone Research Institute
CDW	Construction And Demolition Waste
CEPA	Comprehensive Partnership Agreement
CGSS	Credit Guarantee Scheme for Start-ups
CGST	Central Goods and Services Tax
COVID-19	Coronavirus Disease of 2019
CPI	Consumer Price Index
CPI-C	Consumer Price Index
DNTs	Denotified/Nomadic/Seminomadic Tribal Communities
DoS	Department of Space
DPA	Deendayal Port Authority
DPIIT	Department for Promotion of Industry and Internal Trade
ECBC	Energy Conservation Building Code
EV	Electric Vehicle
FDI	Foreign Direct Investment
FO	Forward osmosis
FPI	Foreign Portfolio Investment
FTAs	Free Trade Agreements
GDP	Gross Domestic Product
GII	Global Innovation Index
GRIHA	Green Rating for Integrated Habitat Assessment
G-secs	government securities
GST	Goods and Services Tax
HFI	High-Frequency Indicators
ICAR	Indian Council of Agricultural Research

<b>Term</b>	<b>Description</b>
IDRCL	India Debt Resolution Co. Ltd
IEA	International Energy Agency
IGBC	Indian Green Building Council
IGST	Integrated Goods and Services Tax
IIP	Index of Industrial Production
IISR	The Indian Institute of Spices Research
IndAus ECTA	India-Australia Economic Cooperation and Trade Agreement
INR	Indian rupees
IoT	Internet of Things
LEED-India	Leadership in Energy and Environmental Design-India
LMT	Lakh Metric Tonnes
MBR	Membrane Bioreactor
MFP	Mega Food Parks
MoSPI	Ministry of Statistics & Programme Implementation
MoU	Memorandum of Understanding
MPN	Mobile Private Network
MRO	Maintenance, Repair and Operations
MSME	Micro Small Medium Enterprise
MSP	Maximum Selling Price
NABARD	National Bank for Agriculture and Rural Development
NaBFID	National Bank for Financing Infrastructure and Development
NARCL	National Asset Reconstruction Company Ltd
NTC	Nardò Technical Center
OEMs	Original equipment manufacturer
PE	Private Equity
PHH	Primary Household
PLI	Production Linked Incentive Scheme
PM-DevINE	Prime Minister's Development Initiative for North-East Region
PMGKAY	Pradhan Mantri Garib Kalyan Ann Yojana
PPP	Public-Private Partnership
R&D	Research & Development
RBI	Reserve Bank of India
RO	Reverse osmosis
SBR	Sequencing Batch Reactor
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
SGST	State Goods and Services Tax
TERI	The Energy and Resources Institute
TTDF	Telecom Technology Development Fund
UK	United Kingdom
UN	United Nations
USD	United States Dollar
USOF	Universal Service Obligation Fund
VC	Venture Capitalist
WEO	World Economic Outlook
WTO	World Trade Organization
WWETT	Water and Wastewater Equipment, Treatment, and Transport
YoY	Year-Over-Year

## ABBREVIATIONS

<b>Term</b>	<b>Description</b>
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount

<b>Term</b>	<b>Description</b>
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CA	Chartered Accountant
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CFA	Chartered Financial Analyst
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CIBIL	Credit Information Bureau (India) Limited
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CWA/ICWA/CMA	Cost and Works Accountant
CMD	Chairperson and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depository or Depositories	NSDL and CDSL.

<b>Term</b>	<b>Description</b>
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GOI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI/ICMAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MIDC	Maharashtra Industrial Development Corporation
MSEDCL	Maharashtra State Electricity Distribution Co. Ltd

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

<b>Term</b>	<b>Description</b>
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
VAT	Value Added Tax
w.e.f.	With effect from
WIP	Work in process
Willful Defaulter	An entity or person categorized as a willful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations
YoY	Year over Year

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

*Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Offer Procedure”, will have the meaning ascribed to such terms in these respective sections.*

## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

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

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

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

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

### FINANCIAL DATA

Unless stated otherwise, the financial statements in this Draft Red Herring Prospectus are derived from our Restated Financial Statements. The Restated Financial Statements comprises of the restated statement of assets and liabilities for the period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022, March 31, 2021 and the restated statement of profit and loss, the restated statement of cash flows and the restated statement of changes in equity for the period ended December 31, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the summary of significant accounting policies and explanatory notes, prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended; the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see please refer section titled "*Restated Financial Statements*" beginning on page 170 of this Draft Red Herring Prospectus.

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 in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

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

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 27, 117 and 173 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the "*Restated Financial statements*" of our Company as beginning on page 170 of this Draft Red Herring Prospectus.

### CURRENCY AND UNITS OF PRESENTATION

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

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

In this 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 Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

## EXCHANGE RATES

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate or at all.

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

Currency	Exchange Rate as on December 29, 2023	Exchange Rate as on March 31, 2023	Exchange Rate as on March 31, 2022	Exchange Rate as on March 31, 2021
1 USD	83.12	82.21	75.80	73.50
1 Euro	92.00	89.61	84.66	86.10

*Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places.*

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

## DEFINITIONS

For definitions, please refer the chapter titled “Definitions and Abbreviations” beginning on page 1 of this Draft Red Herring Prospectus. In the section titled “Main Provisions of the Articles of Association” beginning on page 256 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## INDUSTRY AND MARKET DATA

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

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

## FORWARD LOOKING STATEMENTS

All statements contained in this 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. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward-looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

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

- The current order book may not necessarily translate into future income in its entirety, due to the possibility of the orders being modified, cancelled, delayed, put on hold or not fully paid for by the customers of the Company;
- Reliance on our Public Sector Undertakings and Governments clients for revenues;
- Delays in completion of the current and future projects and time overrun could have adverse effect on the business prospects and results of operations of the Company;
- Dependency upon award of new contracts which are beyond the control of the Company;
- Significant portion of the Company’s revenue from water management business is through a bidding process and there can be no assurance that projects for which the Company bids on will be awarded to the Company and recorded in the Order Book or that the Company will actually realize revenues from such projects;
- Failure of expansion plans;
- Dependency on procurement of construction materials from the suppliers;
- Delay in availing finances for execution of project;
- Possibility of incurring additional cost or loss in revenue in connection with failure to comply with the commitments of the projects; and
- competitive pressures from the existing competitors and new entrants in both public and private sector.

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*” and chapter titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 27, 117, and 173 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Syndicate Members nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Equity Shares pursuant to the Offer.

## SECTION II - SUMMARY OF OFFER DOCUMENT

The following is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus, when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Main Provisions of The Articles Of Association” on pages 27, 53, 67, 78, 99, 117, 164, 170, 173, 195, 233 and 256, respectively.

### SUMMARY OF OUR BUSINESS

Our company, “*Effwa Infra & Research Limited*”, (“*EIRL*”) is engaged in the business of engineering, consultancy, procurement, construction and integrated project management services in water pollution control, encompassing sewage and industrial effluent treatment, solid waste treatment and disposal, ventilation systems, hazardous waste management, and water treatment plants. Additionally, we specialize in hazardous waste incineration. We also function as consultants and advisors, providing a range of services encompassing project organization, management, equipment procurement, funding, and project execution. Our expertise spans the entire project lifecycle, from registration and design to implementation, supervision, and finalizing contract terms.

For more details, please refer chapter titled “*Our Business*” beginning on page 117 of this Draft Red Herring Prospectus.

### SUMMARY OF OUR INDUSTRY

The global water and wastewater treatment market is experiencing substantial growth due to population increase, urbanization, and industrial expansion. Stringent regulations, technological advancements, and smart water management solutions are driving innovation. Decentralized systems, sustainability initiatives, and resource recovery technologies are gaining prominence. Concerns over water scarcity and pollution are stimulating investments in water conservation and efficient management practices. Overall, the market is evolving towards more efficient, sustainable, and decentralized solutions to address the challenges of water scarcity and pollution while meeting regulatory standards and ensuring public health.

For more details, please refer chapter titled “*Industry Overview*” beginning on page 99 of this Draft Red Herring Prospectus.

### OUR PROMOTERS

The promoters of our company are Dr. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal

### SIZE OF OFFER

The following table summarizes the details of the Offer. For further details, see “*The Offer*” and “*Offer Structure*” beginning on pages 54 and 229, respectively.

<b>Offer of Equity Shares</b>	Up to 63,00,000 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹ [●] Lakhs
<b>Out Of which:</b>	
➤ Fresh Issue <sup>(1)</sup>	Up to 53,62,500 Equity Shares aggregating up to ₹ [●] Lakhs
➤ Offer for Sale <sup>(2)</sup>	Up to 9,37,500 Equity Shares aggregating up to ₹ [●] Lakhs
<b>Of which:</b>	
<b>Market Maker Reservation Portion</b>	Up to [●] Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs
<b>Net Offer</b>	Up to [●] Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs

<sup>(1)</sup> The Offer including the Fresh Issue has been authorized by our Board pursuant to resolutions passed at its meetings held on May 02, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on May 03, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolutions dated May 02, 2024.

<sup>(2)</sup> The Selling Shareholders has confirmed and authorized its participation in the offer for sale in relation to the offered Shares. The Selling Shareholders confirm that the offered shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with NSE Emerge in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorisation and consent of the selling shareholder in relation to the offered shares, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 53 and 209, respectively.

The Offer and Net Offer shall constitute [●] % and [●] % of the post-offer paid-up Equity Share capital of our Company.

## OBJECTS OF THE OFFER

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

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Funding working capital requirements of our company	3,300.00
2.	Funding of capital expenditure requirements of our Company towards purchase of office Equipments	41.00
3.	General Corporate Purposes#	[●]
	<b>Total*</b>	[●]

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

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

For further details, please refer to chapter titled “Objects of the Offer” beginning on page 78 of this Draft Red Herring Prospectus.

## PRE-OFFER SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AND THE SELLING SHAREHOLDER AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

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

Category of Promoter	Pre-Offer		Post-Offer*	
	No. of Shares	% of pre-offer Capital	No. of Shares	% of post-offer Capital
<b>Promoters &amp; Selling Shareholders</b>				
Dr. Varsha Subhash Kamal	90,93,811	51.00%	[●]	[●]%
Mr. Subhash Ramavtar Kamal	87,36,550	48.99%	[●]	[●]%
<b>Promoter Group</b>				
M/s Kamal Subhash HUF	01	Negligible	[●]	[●]%
Mr. Vijay Vasant Dauge	01	Negligible	[●]	[●]%
<b>Total</b>	<b>1,78,30,363</b>	<b>99.99%</b>	<b>[●]</b>	<b>[●]%</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

(₹ in lakhs other than share data)

Particulars	As on December 31, 2023	For the year ended March 31		
		2023	2022	2021
Share Capital	232.57	232.57	232.57	232.57
Net worth <sup>#</sup>	3330.71	2356.09	1842.16	1400.72
Total Revenue <sup>\$</sup>	9030.83	11541.36	10461.67	5469.32
Profit after Tax	974.62	513.94	441.44	223.76
Earnings per share (Basic & diluted) (Post Bonus & Split) (₹) <sup>@</sup>	5.47	2.88	2.48	1.25
Net Asset Value per Equity Share (Post Bonus & Split) (₹) <sup>*</sup>	18.68	13.21	10.33	7.86
Total borrowings <sup>^</sup>	873.10	1,623.01	1,026.11	877.47

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

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

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

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

<sup>^</sup>Total Borrowings = Restated Long-Term Borrowings plus Restated Short Term Borrowings

**Notes:**

Our Board of Directors pursuant to a resolution dated February 15, 2024 and Shareholders pursuant to a special resolution dated February 19, 2024, have approved the issuance of 1,55,04,667 bonus Equity Shares in the ratio of Twenty Equity Shares for every three existing fully paid-up Equity Share.

**QUALIFICATIONS OF AUDITORS**

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

**SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS**

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

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved
<b>Company</b>						
By the Company	NA	NA	NA	NA	3	74.37
Against the Company	NA	5	NA	NA	NA	60.95
<b>Directors</b>						
By our directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	NA	NA	NA	NA	NA
<b>Promoters</b>						
By Promoters	NA	NA	NA	NA	NA	NA
Against Promoters*	NA	2	NA	NA	NA	50.98
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	NA	NA	NA	NA	NA

**Brief details of top 5 Criminal Case against our Promoters:**

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

For further details, please refer chapter titled “Outstanding Litigations and Material Developments” beginning on page 195 of this Draft Red Herring Prospectus.

**RISK FACTORS**

For details relating to risk factors, please refer section titled “Risk Factors” beginning on page 27 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

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

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	2,634.12	1,728.92	586.64	682.88
<b>Total</b>	<b>2,634.12</b>	<b>1,728.92</b>	<b>586.64</b>	<b>682.88</b>

For details, please refer to Section titled "Restated Financial Statements" beginning on page 170 of this Draft Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

### ANNEXURE - IX: Restated Statement of Related Party Disclosures

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

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

Particulars	Name of Related Parties
a) Key Management Personnel's	Mr. Subhash Ramavtar Kamal Dr. Varsha Subhash Kamal
b) Relative of KMP	Mr. Shraddhesh Subhash Kamal Ms. Shravani Subhash Kamal
c) Sister Concern	Aireff Detox Inc.

**Note 1:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

(₹ in Lakhs)

Nature of Transactions	Name of Related Parties	December 31, 2023	As at March 31		
			2023	2022	2021
<b>Directors Remuneration</b>	Mr. Subhash Ramavtar Kamal	135.00	160.00	158.00	158.00
	Dr. Varsha Subhash Kamal	135.00	160.00	158.00	158.00
<b>Total</b>		<b>270.00</b>	<b>320.00</b>	<b>316.00</b>	<b>316.00</b>
<b>Rent</b>	Mr. Subhash Ramavtar Kamal	10.35	13.80	12.90	12.00
	Dr. Varsha Subhash Kamal	10.35	13.80	12.90	12.00
	Aireff Detox Inc.	14.85	19.80	19.80	-
<b>Total</b>		<b>35.55</b>	<b>47.40</b>	<b>45.60</b>	<b>24.00</b>
<b>Professional Fee</b>	Mr. Shraddhesh Subhash Kamal	-	-	-	18.00
	Ms. Shravani Subhash Kamal	-	1.11	-	-
<b>Unsecured Loan</b>	Mr. Subhash Ramavtar Kamal				
	Opening Balance	100.66	93.46	100.77	6.53
	<b>Add:</b> Loan Received During the Year	183.23	182.50	61.61	212.40
	<b>Less:</b> Loan Repaid During the year	255.77	175.31	68.92	118.16
	<b>Closing Balance</b>	<b>28.11</b>	<b>100.66</b>	<b>93.46</b>	<b>100.77</b>
	Dr. Varsha Subhash Kamal				
	Opening Balance	119.40	51.92	66.14	<b>56.68</b>
<b>Add:</b> Loan Received During the Year	177.63	222.65	86.81	152.59	
<b>Less:</b> Loan Repaid During the year	271.21	155.17	101.03	143.12	
<b>Closing Balance</b>	<b>25.82</b>	<b>119.40</b>	<b>51.92</b>	<b>66.14</b>	
<b>Loans &amp; Advances</b>	Ms. Shubha Kamal				

Nature of Transactions	Name of Related Parties	December 31, 2023	As at March 31		
			2023	2022	2021
	Opening Balance	-	4.00	4.00	4.00
	<b>Add:</b> Loan given During the Year	-	-	-	-
	<b>Less:</b> Loan received back During the year	-	4.00	-	-
	<b>Closing Balance</b>	-	-	<b>4.00</b>	<b>4.00</b>
	Mr. Sudhir Kamal				
	Opening Balance	21.60	17.00	17.00	-
	<b>Add:</b> Loan given During the Year	-	4.60	-	17.00
	<b>Less:</b> Loan received back During the year	21.60	-	-	-
	<b>Closing Balance</b>	-	<b>21.60</b>	<b>17.00</b>	<b>17.00</b>

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### **ANNEXURE - J(iii) - Outstanding Balance as at the end of the year**

(₹ in Lakhs)

Particulars		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Payable</b>	Mr. Subhash Ramavtar Kamal	28.11	100.66	93.46	100.77
	Dr. Varsha Subhash Kamal	25.82	119.40	51.92	66.14
	Aireff Detox Inc.	13.37	-	-	-
<b>Total</b>		67.30	220.05	145.38	166.91

Particulars		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Receivables</b>	Ms. Shubha Kamal	-	-	4.00	4.00
	Mr. Sudhir Kamal	-	21.60	17.00	17.00
<b>Total</b>		-	21.60	21.00	21.00

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

For details, please refer to chapter titled “Restated Financial Statements” beginning on page 170 of this Draft Red Herring Prospectus.

#### **FINANCING ARRANGEMENTS**

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

#### **WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS AND SELLING SHAREHOLDERS**

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

Sr. No.	Name of Promoters/Selling Shareholders	No of shares acquired during last 1 year	No of Equity Shares	Weighted Average cost of Acquisition (in ₹) *
1.	Dr. Varsha Subhash Kamal	7,907,667	9,093,811	Nil
2.	Mr. Subhash Ramavtar Kamal	7,597,000	8,736,550	Nil

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

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 06, 2024.

#### **AVERAGE COST OF ACQUISITION OF PROMOTERS AND SELLING SHAREHOLDERS**

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

Sr. No.	Name of Promoters/Selling Shareholders	No of Equity Shares held	Average cost of Acquisition (in ₹)*
1.	Dr. Varsha Subhash Kamal	90,93,811	2.24
2.	Mr. Subhash Ramavtar Kamal	87,36,550	2.33

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

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 06, 2024.

#### DETAILS OF PRE-IPO PLACEMENT

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

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

Except for the Bonus Issue of 1,55,04,667 Equity Shares, our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Draft Red Herring Prospectus.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
February 20, 2024	1,55,04,667	10/-	Nil	Bonus Issue	Capitalization of Surplus	Dr. Varsha Subhash Kamal	79,07,667
						Mr. Subhash Ramavtar Kamal	75,97,000

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

Our Company has not undertaken consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus. However, there have been split of equity shares of face value of ₹100/- each to face value of ₹10/- each on January 16, 2024.

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

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

## SECTION III – RISK FACTORS

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

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See chapter titled “Forward Looking Statements” beginning on page 19 of this Draft Red Herring Prospectus.*

*To obtain a better understanding of our business, you should read this chapter in conjunction with other chapters of this Draft Red Herring Prospectus, including the chapters titled “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Industry Overview” and “Restated Financial Statements” on page 117, 173, 99 and 170 respectively of this Draft Red Herring Prospectus, together with all other Restated Financial Statements contained in this Draft Red Herring Prospectus. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus.*

*Unless otherwise stated, the financial data in this chapter is derived from our Restated Financial Statements for the Period ended December 31, 2023 and for the financial years ended March 31, 2023, 2022, and 2021 as included in “Restated Financial Statements” beginning on page 170 of this Draft Red Herring Prospectus.*

### **MATERIALITY**

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

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

### **INTERNAL RISKS**

- 1. We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.**

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

**Cases against our Company:**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters*	5	60.95
Other Litigation	--	--

**Cases by our Company:**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	3	74.37

**Cases against our Directors and Promoter:**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Other Litigation – Taxation	2	50.98
Other Litigation	--	--

**Cases against our Group Companies and / or Subsidiaries:**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Other Litigation – Taxation*	--	--
Other Litigation	--	--

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

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

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 195 of this Draft Red herring Prospectus.

**2. 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, 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 on period ended December 31, 2023 and as of March 31, 2023, March 31, 2022 and March 31, 2021, we had issued bank guarantees amounting to ₹2,634.13 Lakhs and ₹1,728.92 Lakhs, ₹586.64 Lakhs and ₹ 682.88 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.

**3. *We derived majority of our revenue from a limited number of clients and the loss of one or more of them could have a material adverse effect on our business, financial condition and results of operations.***

We currently derive a substantial portion of our revenue from a limited number of clients. The top ten clients of our Company accounted for 99.20% of revenue for the period ended December 31, 2023 and 96.37%, 98.71% and 98.02% for the financial year ended March 31, 2023, 2022 and 2021. The business we derive from our clients is dependent on the decisions that our clients make which are largely influenced by various factors beyond our control. In the future, we could lose these key clients due to major events affecting them such as change of management, mergers and acquisitions or an economic slowdown, change in government and political scenario or lack of funding by the government. Moreover, we are not the exclusive service provider to such clients and they have not committed to provide us with a minimum volume of work.

Accordingly, we cannot guarantee that our key clients will continue to use our services or continue to provide us with work at historical volumes and commissions. The loss of our most significant clients or a significant decrease in the volume of work from these clients would have a material adverse effect on our business, results of operations, financial conditions and cash flows.

**4. *Our current order book may not necessarily translate into future income in its entirety. Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our customers, which could adversely affect our business, financial condition, results of operations and future prospects.***

As of March 31, 2024, our Order Book was ₹ 16,934.6 Lakhs. There can be no assurance that our Order Book will actually be realized as revenues or, if realized, will result in profits. In accordance with industry practice, most of our contracts are subject to cancellation, termination, or suspension at the discretion of the client at any stage of the contract. In addition, the projects in our Order Book are subject to change in the scope of services to be provided as well as cost adjustments in relation to our contracts. Our Order Book includes expected revenues for contracts that are based on estimates.

Our contracts with PSUs, government institutions and other private organization are usually based on standard terms and conditions set out by the said entities. Thus, we have had only limited ability to negotiate the terms of these contracts, which tend to favour clients and we may be required to accept unusual or onerous provisions in such contracts in order to be engaged to execute such projects. These onerous conditions forming part of contracts may have adverse effects on our profitability. Further, any change in governmental policies that results in a reduction in capital investment in the sector in which we operate could adversely affect us. If there is any change in the government or the governmental policies, practices or focus that result in a slowdown in projects, our business, prospects, financial condition and results of operations may be materially and adversely affected. Also, if payments under our contracts with the clients are delayed, our financial condition and results of operations may be affected on account of an effect on our working capital requirements, resulting in additional finance costs and increase in our realization cycle.

We operate in a highly competitive environment. If we are unable to meet the eligibility criteria and industry expectations in comparison with our competitors, we may not be successful in qualifying to bid for various future projects. Further, even if we meet the pre-qualification criteria, we cannot assure that we will be able to bid for the project / contract in the most competitive manner. These factors may limit us in getting future contracts, which may adversely affect our revenue. Further, due to the inherent nature of the contracts with institution clients, there is also risk of projects getting inordinately delayed or not getting completed, struck off or getting into litigations.

Projects can remain in order book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in order book being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues and/or profit.

**5. *We depend on various third parties, including our contractors and independent service providers, over whom we may have no control.***

We depend on the availability of skilled third-party contractors for the development and construction of our proposed projects and supply of certain key Equipments. We do not have any direct control over the timing or quality of services, equipment or supplies provided by these contractors. In addition, as a result of increased industrial development in India in recent years, the demand for contractors with specialist design, engineering and project management skills and services has increased manifold, resulting in a shortage of and increasing costs of such contractors. There can be no assurance that such skilled and experienced contractors will continue to be available at reasonable rates in the areas in which we conduct our operations, and we may be exposed to risks relating to the quality of their services, equipment and supplies. A contractor who has performed satisfactorily in one area may not be able to perform in the same manner in another area and hence identification of a good local contractor becomes essential, which may not be available all the time. Further, the project management teams of various foreign contractors, which we may require for our Indian and overseas projects, may face difficulties in obtaining travel permissions in a timely manner. Inability to obtain visa for travel of the project management team could adversely affect the completion timelines of the projects.

In addition, we require the continued and timely support of certain original equipment manufacturers to supply necessary services and parts to maintain our projects at affordable cost. If we are unable to procure the required services or parts from these manufacturers (for example, as a result of the shutting down of operations of the manufacturer, bankruptcy etc.), or if the cost of these services or parts exceed the budgeted cost, there may be an adverse effect on our business, financial condition and results of operations. Contractors and suppliers are generally subject to liquidated damages for failure to achieve timely completion or performance shortfalls. We may not be able to recover from a contractor or supplier the full amount of losses that may be suffered by us due to such failure to achieve timely completion or performance shortfalls.

**6. *Delays in completion of our current and future projects and time overrun could have adverse effect on our business prospects and results of operations.***

Typically, our projects are subject to specific completion schedule requirements. The scheduled completion targets for our projects are estimates and are subject to delays as a result of, among other things, unforeseen engineering problems, force majeure events, unavailability of financing, unanticipated cost increases or changes in scope and inability in obtained government approvals or as may be contractually agreed with the client. We also provide bank guarantees to our clients which may be invoked if we are unable to complete projects within a specified time frame and such guarantees may be extended owing to any change in such timelines. Failure to adhere to contractually agreed timelines could lead to forfeiture of security deposits, payment of liquidated damages and/ or our performance guarantees being invoked. There can be no assurance that our projects will be completed within the specified time frame. While there have been no instances of time overrun in the past, we cannot assure you that all potential liabilities that may arise from delays or that any damage, that may be claimed for such delays from clients or any third party, would be adequate to cover losses resulting there from.

**7. *Our revenue and earnings are dependent upon award of new contracts which we cannot directly control.***

Our revenue is generated from projects awarded to us from time to time. The timing of awards for such projects is unpredictable and outside of our control. The growth of our business depends on our ability to obtain projects including by way of being awarded tenders pursuant to competitive bidding processes. We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a variety of factors including governmental approvals, financing contingencies, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we may be subject to the risk of losing new awards to competitors. There is also a risk that revenue may not be derived from awarded projects as quickly as anticipated. Also, any rejection of award or cancellation or suspension of an order by a customer may also affect our revenue and financial condition.

**8. *We are dependent on third parties for the supply of raw materials, services and finished goods and any inability on the part of these third parties to supply such raw materials, services or finished goods could have a material adverse effect on our business, financial condition and results of operations.***

Our business is significantly affected by the availability, cost and quality of the raw materials and bought out items, which we need to construct, develop and provide for our projects, products and services, for the principal raw materials and bought out items required in our businesses. The prices and supply of raw materials and bought out items depend on factors not under our control, including domestic and international general economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import duties.

Our principal raw materials include construction materials used at our project sites viz. steel, pipes, cements, power transformers, etc., from markets on purchase order bases. Our raw materials are majorly procured from the Domestic Market on PAN India basis. We are dependent on external suppliers for certain of the materials /components. The prices and supply

of these and other raw Materials and components depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and duties. If, for any reason, our suppliers of raw materials and components should curtail or discontinue their delivery of such materials to us in the quantities we need or at prices that are competitive or expected by us, our ability to meet the requirements of our customers could be impaired and our earnings and business could suffer. For the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021, our purchases was ₹6,135.60 Lakhs, ₹9,146.77 Lakhs, ₹8,833.81 Lakhs and ₹4,142.74 Lakhs respectively, which represented 68.10%, 79.47%, 84.64% and 75.91% respectively of our revenue from operations.

If any of our key suppliers for a particular project is unable to continue providing the raw materials and bought out items we need, at prices and on terms and conditions we consider acceptable, we will be required to obtain these items from other suppliers and our results of operations and business could suffer as a result.

We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations. Purchases made from our top 10 suppliers for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021, were ₹2,282.16 Lakhs, ₹1,858.76 Lakhs, ₹4,253.90 Lakhs and ₹ 2,097.32 Lakhs representing 37.20%, 20.32%, 48.15% and 50.63 % of our total raw material purchases.

**9. We generate our major portion of sales from our operations in certain geographical regions both Domestic and Export (Including Special Economic Zone). Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.**

For the period ended December 31, 2023 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, our revenue from our certain geographical regions customers as per our Restated Financial Statements are as followed:

(₹ in Lakhs, otherwise mentioned)

Particulars	For the period / year ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Value	In %	Value	In %	Value	In %	Value	In %
<b>India (Domestic)</b>								
Andhra Pradesh	361.30	5.47	1,408.22	13.26	123.44	1.23	165.42	3.03
Chhattisgarh	25.15	0.38	491.60	4.63	508.31	5.08	2,866.26	52.52
Gujarat	712.89	10.79	3,332.59	31.38	3425.75	34.23	612.02	11.21
Madhya Pradesh	---	---	3.96	0.04	3.54	0.04	297.95	0.05
Maharashtra	1,749.20	26.49	1,970.21	18.55	1822.92	18.22	1,641.24	30.07
Odisha	1,128.11	17.08	3,385.75	31.88	3602.93	36.00	154.07	2.82
West Bengal	2,627.33	39.78	27.69	0.26	520.17	5.20	---	---
Rajasthan	---	---	---	---	---	---	15.32	0.28
<b>Exports</b>								
Special Economic Zone	2,406.04	26.70	49.35	0.43	---	---	---	---
Tanzania	---	---	840.21	7.30	429.62	4.12	---	---
<b>Total</b>	<b>9,010.02</b>	<b>100.00</b>	<b>11,509.57</b>	<b>100.00</b>	<b>10,436.68</b>	<b>100.00</b>	<b>5,457.31</b>	<b>100.00</b>

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated March 06, 2024.

Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Our inability to expand into other countries may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in such regions to expand our operations in other parts of India or internationally, due to factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside such markets may adversely affect our business prospects, financial conditions and results of operations. While our management has faith that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance.

**10. In our EPC business, if we are unable to accurately estimate the overall risks of, income from, or costs of our contracts, or if we are unable to agree to the pricing of work done pursuant to change orders, we may earn lower than anticipated profits or incur losses on the contracts.**

In our EPC business, most of our contracts with industrial customers are fixed-price in nature. Sometimes there are escalation clauses provided relating to variation due to change in input costs of the contract by the client over and above the value prescribed in the contract. Terms of these contracts require us to complete a project for a fixed-price and therefore expose us to cost overruns. Cost overruns, whether due to inaccurate estimates, inefficiency or other factors, result in a lower profit or a loss on a project. As a result, we will only realize our estimated profits on these contracts if we accurately estimate our project costs and avoid cost overruns. Unforeseen factors, such as changes in job conditions, variations in labor and equipment productivity over the term of a contract and unexpected increases in cost of materials may cause the income, cost and profit realized from a fixed-price contract to be lower than our originally estimated amounts, despite any contingencies we may have built into our bids for increases in labor, materials and other costs.

**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 period ended December 31, 2023 and for the financial year ended March 31 2023, 2022, 2021 has been provided by a peer reviewed chartered accountants who is not statutory auditor of our Company. Our statutory auditor does not hold a valid peer reviewed certificate and hence the same has been provided by the different chartered accountant.

**12. Our projects are subject to construction, financing and operational risks.**

The development of new projects involves various risks, including, among others, regulatory risk, construction risk, financing risk and the risk that these projects may prove to be unprofitable. We may need to undergo certain changes to our operations as a result of entering into these new projects. Entering into any new projects may pose significant challenges to our management, administrative, financial and operational resources. We cannot provide any assurance that we will succeed in any new projects we may enter into or that we will recover our investments. The funding requirement and project costs for our projects are based on cash flow analysis and any period of negative cash flow is provided with interest cost borrowing. If the funding requirements and project costs for these projects are higher than as estimated and the negative cash flow period is prolonged, we will need to find sources to fund the extra costs which may not be readily available. Any failure in the development, financing or operation of any of our new projects may materially and adversely affect our business, prospects, financial condition and results of operations.

For all of our projects, including any new projects that we undertake, we could be adversely affected because:

- The contractors hired by us may not be able to complete the construction of our projects on time, within budget or to the specifications and standards we have set out in our contracts with them;
- Shortages of, and price increases in, materials and skilled and unskilled labour, and inflation in key supply markets;
- Changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to projects that we are developing;
- Weather interferences or delays, or fire, typhoons or other natural disasters;
- Geological, construction, excavation, regulatory and equipment problems;
- Our raw material suppliers for our projects may not supply the same in the expected quantities/quality or at all;
- Governmental or other statutory approvals and other approvals that are required for completion, expansion or operation of our projects may be delayed or denied;
- Delays in completion and commercial operation could increase the financing costs, including due to increase in prices of raw material, associated with the construction and cause our forecasted budget to exceed;
- We may not be able to obtain adequate working capital or other financing to complete construction of and to commence operations of our projects;

- We may not be able to accurately estimate the pollutants in the feed water/ waste water;
- Other unanticipated circumstances or cost increases may occur.

Since a number of contracts include obligations for EPC activities as well as O&M activities, any delays or financial or operational difficulties in relation to these projects will not only have a negative effect on our EPC business, but also on our O&M business. Also, we do not have guarantees or indemnities for these projects from any independent third parties. While we maintain insurance policies to cover natural disaster risks and certain other insurable risks, we cannot assure you that any cost overruns or additional liabilities on our part would be adequately covered by such insurance policies, if at all. We may not achieve the economic benefits expected from projects owing to such cost overruns and the failure to obtain the expected economic benefits could adversely affect our business, financial condition and results of operations. There can be no assurance that our current or future projects will be completed, or, if completed, that they would be completed on time and/or within the anticipated budget.

**13. *Water treatment or reuse and zero liquid discharge technology is subject to rapid change. These changes may affect the demand for our services. If we are unable to keep abreast of the technological changes and new introductions our business, results of operations and financial condition may be adversely affected.***

Water reuse and zero liquid discharge technology is subject to rapid change. These changes may affect the demand for our services. Our future performance will depend on the successful installation of WWTPs and WSSPs with updated new, improved and enhanced technology catering to customer requirements and changing market trends. If our clients require a new technology or a technology which we are not able or capable to provide, we may be disqualified from bidding from such projects and if our clients continue to prefer a technology which we are unable to provide, our business, results of operations and financial condition would be adversely affected.

In order to cater to the changing customer preferences and market trends, we have introduced and developed various new upgraded water treatment plants for water reuse, ZLD and desalination solutions in recent years. However, there is possibility that we may miss a market opportunity if we fail to invest, or invest too late, or would be unable to upgrade ourselves or enter into an arrangement with a technology partner. Changes in market demand may also cause us to discontinue existing or planned projects, which can have an adverse effect on our relationships with clients. If we fail to service or construct WWTPs or WSSPs in line with the changing preferences and market trends in our business, results of operations and financial condition could be adversely affected.

**14. *We derive significant portion of our revenue from one of our services; i.e. Effluent Treatment Plant. Our profitability, business and commercial success is significantly dependent on our ability to successfully anticipate the industry and customer requirements and utilize our resources to enhance and provide our services that efficiently satisfy and meet our client's specific requirements in a timely manner. Any failure on our part to do so, may have an impact on the reputation of our services, which could have an adverse effect on our revenue, reputation, financial conditions, results of operations and cash flows.***

We derive significant portion of our revenue from one of our services, Effluent Treatment Plant, which contributed 20.25%, 44.89%, 50.17% and 41.77% of our revenue from operations for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021, respectively. The industry in which we operate is characterized by changing laws and demands for features, and continual technological innovation. These conditions may also result in significant competition. If the end-user demand is low for our customers' services, there may be significant changes in the orders from our customers and we may experience greater pricing pressures. Our success is therefore dependent on the success achieved by our services and the same being continued to be well acceptable in market. If our services fail to gain acceptance, we may experience reduced demand which may affect our sales to such customers, operating margins and all of these combined may adversely affect on our revenue, reputation, financial conditions, results of operations and cash flows.

**15. *Changes in government policies related to the environment and water treatment, in particular, may adversely affect our business, financial condition and results of operations.***

Environmental protection policies, legislation and regulation greatly influences government expenditures on our water reuse and ZLD solutions and are subject to change due to changing political, social and economic factors. Legislative and regulatory changes in connection with the environment, water supplies and water treatment and discharge may change the demand for our services and could have a material adverse impact on our business, financial condition and results of operations.

**16. Too much concentration of our Business is from sale to government which may impact our Business.**

The major portion of our revenue for the period ended December 31, 2023 and Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 is from Government Institutions i.e., 76.48% and 61.93 %, 51.11% and 18.05%. Such concentration of our business heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand, our operations may differ from those in which we are currently offering. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, and are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand more into areas may adversely affect our business prospects, financial conditions and results of operations.

**17. Our success largely depends upon the knowledge and experience of our Promoters, Directors, our Key Managerial Personnel and Senior Management as well as our ability to attract and retain personnel with technical expertise. Any loss of our Promoter, Directors, Key Managerial Personnel, Senior Management or our ability to attract and retain them and other personnel with technical expertise could adversely affect our business, financial condition and results of operations.**

We are dependent on our Promoters and senior management for setting our strategic direction and managing our business, both of which are crucial to our success. Also, a significant number of our employees are skilled engineers and due to the limited pool of available skilled personnel, we face competition to recruit and retain skilled and professionally qualified staff. Given that our focus is to expand our business, in particular our EPC and O&M businesses, our continued success will depend upon our ability to attract, recruit and retain a large group of experienced professionals and staff. The loss of the services of our senior management, including our Promoters, or our inability to recruit, train or retain a sufficient number of experienced personnel could have a material adverse effect on our operations and profitability. Our ability to retain experienced staff members as well as senior management, including our Promoters, will in part depend on our ability to maintain appropriate staff remuneration and incentive schemes. We cannot be sure that the remuneration and incentive schemes we have in place will be sufficient to retain the services of our senior management and skilled employees and to attract new employees.

In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

There is significant competition for management and other skilled personnel in our industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. If we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and results of operations may be adversely affected. For further information, see “Our Management” on page 150 of this Draft Red Herring Prospectus.

**18. Our business is substantially dependent on our design and engineering teams to accurately carryout the pre bidding engineering studies for potential projects. Any deviation during the execution of the project as compared to our pre-bid estimates could have a material adverse effect on our cashflows, results of operations and financial condition.**

The Company have developed their own code of measures, criteria, team of engineers & supervisors to inspect the projects at pre-bid phase that help us to estimate the cost & difficulties, risks involve in that specific project. Our team inspect the project on different stages i.e. on every stage from digging to laying the pipes lines to check whether there is any risk or difficulties that may arise at the time of execution, team also measure the all the safety terms to safeguard the manpower at the work place. We rely on our in-house team for timely and efficient execution of our projects. In addition to design and engineering, our teams carry out detailed inspection of the relevant project area to record and highlight important features and identify any issues that may be of importance in terms of implementation and operation of such project. While our teams have the necessary skill and experience in carrying our pre-bidding engineering studies, we may not able to assure the accuracy of such studies. The accuracy of the pre-bidding studies is dependent on the following key elements:

- Preparing a project road map-based investigation of the project site which include amongst others, major water bodies, laying of pipelines, the quality of the sewerage or effluent discharge from the concerned area, technology required to be adopted for the plant;
- Undertaking engineering surveys and preliminary designs which broadly include carrying out inventory and detailed condition surveys, carrying out preliminary investigations, availability of construction materials and implementing design in accordance with environmental and social concerns; and
- Preparation of bills of quantities covering all the items required in the work. Any deterrence or deviation in the estimation and calculation of the key elements may hamper the quality of the pre-bid engineering study, on which we rely before submitting any tenders for the relevant project.

Any deviation during the implementation and operation of the project as compared to our pre-bid estimates or wrong report submitted by our research team on the basis of their inspection could have a material adverse effect on our cash flows, results of operations and financial condition.

**19. *We rely on effective and efficient project management. Any adverse change in our project management procedures could affect our ability to complete projects on a timely basis or at all, which may cause us to incur liquidated damages for time overruns pursuant to our contracts.***

Our project-based businesses depend on the proper and timely management of our projects. Although we focus on project management in a number of ways, including by appointing project managers at our sites and by obtaining progress reports periodically, ineffective or inefficient project management could increase our costs and expenses and thus, materially and adversely affect our profitability.

We typically enter into contracts which provide for liquidated damages for time overruns. Additionally, in some contracts, in case of delay, our clients may have the right to appoint a third party to complete the work and to deduct additional costs or charges incurred for completion of the work from the contract price payable to us. In case we are unable to meet the performance criteria as prescribed by the clients and if penalties or liquidated damages are levied, our financial condition and results of operations could be materially and adversely affected. We hereby confirm that the Company have not experienced any instances in which clients of the issuer company appointed a third party to complete the work and deducted additional costs or charges incurred for completion of the work from the contract price payable to the issuer company in the last three years.

**20. *Bidding for a tender involves various management activities such as detailed project study, cost estimations. Inability to accurately measure the cost may lead to bid amount having margin lower than hurdle rate margin i.e. the expected rate of return.***

For every project, Notice for Invitation of Tender is issued which requests interested infrastructure companies/ contractors/ participants to bid. To evaluate a project tender, we undertake various management discussions, project feasibility study, site study, cost estimations, material and equipment suppliers among others which aids us to calculate the estimated cost of the project on which we add-on our margin, which varies from project to project, the result of which is the tender amount which we bid for any particular project.

Clients invites the bids and allots the work to the lowest bidder. The price at which work is allotted to the bidder is inclusive of the profit margin as well & the bidder also quotes its price after doing complete analysis of its cost & profit.

Accordingly, all of the bid amounts are based on estimation of the project cost, the fluctuation of which, either marginally or substantially, may impact our margins adversely. Further, we may incorrectly or inadequately estimate the project cost leading to lower bid amount affecting our profitability, in case the project is awarded to us. Excess estimation of costs may lead to higher bid amount by us owing to which, we may not be awarded a contract which may substantially impact our results of operations and financials. Further, as most of the projects are spread over a longer period of time, cost escalations in our industry is a frequent issue, although most of the agreements includes clauses relating to cost escalations, any fluctuations in costs or material availability or any other unanticipated costs will substantially impact the business operations, cash flows and financial conditions.

**21. *Our actual cost in executing WWTPs (Water and Waste Treatment Plants) may vary substantially from the assumptions underlying our bid or estimates. We may be unable to recover all or some of the additional costs and expenses, which may have a material adverse effect on our results of operations, cash flows and financial condition.***

Under the terms and conditions of agreements for WWTPs with authorities/bodies, we generally receive an agreed sum of money, subject to contract variations covering changes in the client's project requirements. Our actual expenditure in executing such projects may vary substantially from the assumptions underlying our bid and estimates for various reasons, including, unanticipated increases in the cost of construction materials, fuel, labour or other inputs, unforeseen construction conditions, including the inability of the government authorities/bodies to acquire land and other approvals resulting in delays and increased costs, delays caused by local weather conditions and suppliers' failures to perform. Our ability to pass on increases in the purchase price or cost of materials, labour and other inputs may be limited in the case of contracts with limited or no price escalation provisions, and we cannot assure you that these variations in cost will not lead to financial losses to us. Further, other risks generally inherent to our industry may result in our profits from a project being less than as originally estimated or may result in us experiencing losses due to cost and time overruns, which could have a material adverse effect on our cash flows, business, financial condition and results of operations.

**22. *Our operations are subject to hazards and other risks and could expose us to material liabilities, loss in revenues and increased expenses.***

Our operations are subject to hazards inherent in providing water management services, such as risk of equipment failure, work accidents, fire or explosion or hazards that may cause injury and loss of life, severe damage to or destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects arising from the services provided by us. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, pollution, inefficient operating processes, loss of production or suspension of operations.

Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. Also, at times, we may also experience significant delays in recovering the insurance claim amount under these policies. We may also be required to incur or bear environmental and workers' compensation liability. Clients and subcontractors may not have adequate financial resources to meet their indemnity obligations to us. Losses may derive from risks not addressed in our indemnity agreements or insurance policies, or it may no longer be possible to obtain adequate insurance against some risks on commercially reasonable terms. Failure to effectively cover ourselves could expose us to additional costs and potentially lead to material losses. Additionally, the occurrence of any of these risks may also adversely affect public perception about our operations and the perception of our suppliers, clients and employees, leading to an adverse effect on our business. These liabilities and costs could have an adverse effect on our business, results of operations and financial condition.

**23. *Our business is subject to seasonal fluctuations that could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment's.***

Our business operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our construction projects, laying of water pipes and fully utilize our resources.

- The following factors may restrict our ability:
- Heavy or sustained rainfalls
- Flood
- Cyclones or
- Other extreme weather conditions

The above could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment's. In particular, the monsoon season may restrict our ability to carry on activities related to our projects and fully utilize our resources and may slow our activities on construction projects, which shifts our revenue and accordingly profit recognition to subsequent quarters. Adverse seasonal developments may also require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. Such fluctuations may adversely affect our revenues, cash flows, results of operations and financial conditions. We have not experienced any delay of projects or any penalty imposed by the government in past. Further, no assurance can be given that we will not experience such incidents in future.

**24. *Our failure to recover adequately on claims against project owners for payment could have a material adverse effect on us.***

We occasionally bring claims against project owners for additional costs exceeding the contract price or for amounts not included in the original contract price. These types of claims occur due to matters such as owner-caused delays or changes from the initial project scope, which result in additional cost, both direct and indirect. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is often difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may invest additional working capital

in projects to cover cost overruns pending the resolution of the relevant claims. While all the claims raised by us as on the date of this Draft Red Herring Prospectus to the project owners are currently in the process of being recovered. However, a failure to promptly recover on these types of claims could have a material adverse impact on our liquidity and financial results. For further information, please see section titled “*Outstanding Litigation and Material Developments*” on page 195.

**25. *We could be adversely affected if we fail to keep pace with technical and technological developments.***

Our recent experience indicates that clients are increasingly developing larger, more technically complex projects. We are also entering into new markets and expanding into unexplored technologies. To meet our clients’ needs, we must continuously update existing ones, and develop new technology. In addition, rapid and frequent technology and market demand changes can often render existing technologies obsolete, requiring substantial new capital expenditures and/or write downs of assets. Although we strive to keep our technology and equipment’s current with the latest international standards, the technologies, facilities and machinery we currently employ may become less competitive or even obsolete due to advancement in technology or changes in market demand, which may require us to incur substantial capital expenditure. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results. In order to further develop and implement these new technologies we may have to invest a large amount of capital which may have an adverse impact on our cash position. If our competitors introduce superior technology and we cannot make enhancements to ours to remain competitive, either because we do not have the resources to continually improve our technology or for any other reason, our competitive position, and in turn our business, results of operations and financial condition may be adversely affected.

**26. *Our operations are dependent on a significant number of contract labour and an inability to access adequate labour at reasonable costs at our project sites across India may adversely affect our business prospects and results of operations***

Our operations are significantly dependent on access to a large pool of contract labour for our construction work and the execution of our projects. The number of labourers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labour may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labour during peak periods in labour intensive sectors such as ours. There can be no assurance that we will have adequate access to skilled workmen at reasonable rates and in the areas in which we execute our projects. As a result, we may be required to incur additional costs to ensure timely execution of our projects.

**27. Our Company logo  “*effwa*” is not registered with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business. Further, any kind of negative publicity or misuse of our brand name could hamper our brand building efforts and our future growth strategy could be adversely affected.**

Our Company has made an application for registration with the Registrar of Trademark for registration of logo. If we are unable to register the intellectual property in the future in our name or any objection on the same may require us to change our logo and hence may loose on the goodwill created so far. Further, the same may involve costly litigations and penal provisions if some legal consequences arise if someone from outside use our name and logo of the Company. We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations

**28. *We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.***

We are subject to counterparty credit risk and a significant delay in receiving large payments or non-receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. For the Period ended December 31, 2023 and financial year ended March 31, 2023, 2022 and 2021 our trade receivables were ₹

4,644.04 Lakhs and ₹ 5167.51 Lakhs and ₹ 3121.28 Lakhs and ₹ 2774.50 lakhs, respectively. There is no assurance that we will accurately assess the creditworthiness of our customers. Further, macroeconomic conditions which are beyond our control, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers 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 dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. While we have not faced such incidents in the past, if we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

**29. We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materializes.**

*The following table sets forth our contingent liabilities as derived from our Restated Financial Statements:*

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	2,634.12	1,728.92	586.64	682.88
<b>Total</b>	<b>2,634.12</b>	<b>1,728.92</b>	<b>586.64</b>	<b>682.88</b>

**30. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/ or surplus of raw materials, equipment and manpower, which could affect our business and financial condition**

We monitor our inventory levels based on our own projections of future demand. Because of the length of time necessary to develop a particular project, we make decisions well in advance. As on December 31, 2023 and As of March 31, 2023, 2022 and 2021, our total inventories amounted to ₹195.73 Lakhs, and ₹309.28 Lakhs, ₹324.07 Lakhs and ₹15.02 Lakhs, respectively with inventory turnover ratio of 46.03, 37.21, 32.20 and 363.27 respectively. An underestimated forecast of the raw materials, equipment and manpower for our projects can result in the higher costs or supply deficits of these essentials. Conversely, an overestimated forecast can also result in an over-supply of these essentials, which may increase costs, negatively impact cash flow, reduce the quality of raw material inventory, erode margins substantially and ultimately create write-offs of inventory or holding of surplus stock which may result in additional storage cost. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

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

Our business is working capital intensive. Summary of our working capital position as per our Restated Financial Information is given below: -

(₹. in Lakhs)

Sr. No.	Particulars	Actual	Actual	Actual	Actual
		31.12.2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
<b>I</b>	<b>Current Assets</b>				
	Inventories	195.73	309.28	324.07	15.02
	Trade Receivables	4,644.04	5,167.51	3,121.28	2,774.50
	Short Term Loans and Advances	32.86	64.54	84.58	112.02
	Other Current Assets	599.70	273.33	393.17	138.43
	<b>Total (A)</b>	<b>5,472.33</b>	<b>5,814.66</b>	<b>39,23.10</b>	<b>3,039.97</b>
<b>II</b>	<b>Current Liabilities</b>				
	Trade payables	1,733.63	1,986.04	1,533.41	726.63
	Other Current Liabilities	223.31	303.63	76.12	213.40
	Short term provisions	346.20	192.13	156.16	91.28
	<b>Total (B)</b>	<b>2,303.14</b>	<b>2,481.80</b>	<b>1,765.69</b>	<b>1,031.31</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>3,169.19</b>	<b>3,332.86</b>	<b>2,157.41</b>	<b>2,008.66</b>

We require a significant amount towards working capital requirements which is based on certain assumptions, and accordingly, any change of such assumptions would result in changes to our working capital requirements. A significant amount of working capital is required to finance the purchase of materials, equipment, mobilization of resources and other work on projects before payment is received from clients. As a result, we will continue to avail debt in the future to satisfy

our working capital requirements. Our working capital requirements may increase if we undertake larger or additional projects or if payment terms do not include advance payments or such contracts have payment schedules that shift payments toward the end of a project or otherwise increase our working capital burden.

The working capital requirement involves providing of performance bank guarantees for the work awarded to our Company for which cash margin has to be provided. Apart from that the clients retain certain percentage of the contract value after the completion of the project as retention money. We strive to maintain strong relationships with local and national banks to increase our financing flexibility. Our credit profile often enables us to obtain financing on favourable terms from banks. However, we cannot assure you that our relationships with lenders will not change or that lenders will continue lending practices we are familiar with. Our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs, or prevent us from obtaining financings totally. As a result, our projects may be subject to significant delays and cost overruns, and our business, financial condition and results of operations may be materially and adversely affected. In general, a large part of our working capital is also blocked in trade receivables from our clients, including those arising from progress payments or release of retention money. There can be no assurance that the progress payments and the retention money will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice. Our working capital position also depends on the period of time taken by the government authorities/bodies to certify the invoice issued by us and release payment. All of these factors may result in an increase in the amount of our receivables and short-term borrowings and the

**32. The Company is yet to place orders for 100% of the purchase of office equipment for our proposed object, as specified in the Objects of the Offer. Any delay in placing orders, procurement of the same may delay our implementation schedule and may also lead to increase in price of these equipment, further affecting our revenue and profitability.**

Although we have identified the type of equipment required to be purchased at our registered office however, we are yet to place orders for 100% of the equipment at our registered office worth ₹ 41.00 Lakhs as detailed in the “Objects of the Offer” beginning on page 78 of this Draft Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipment, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure this equipment within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “Objects of the Offer” beginning on page 78 of this Draft Red Herring Prospectus.

**33. Our Company had negative cash flows in the past years from investing activities, 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 from investing activities which have been set out below as per the restated consolidated financial statements:

Particulars	(₹. in Lakhs)			
	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net cash generated from/ (used in) operating activities	1,293.26	(466.97)	386.30	75.89
Net cash generated from/ (used in) investing activities	(255.04)	(240.10)	(140.71)	(224.24)
Net cash generated from/ (used in) financing activities	(910.03)	400.42	55.38	(6.69)

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 170 and 173, respectively of this Draft Red Herring Prospectus.

**34. There are certain discrepancies and non-compliances noticed in some of our financial reporting and/or records relating to filing of returns and deposit of statutory dues with the taxation and other statutory authorities.**

In the past, our company has at several instances, delayed in filing our GST returns, EPF returns, as a result of which, we have been required to pay the late filing fees. Although the late filing fees and interest on late deposits levied are small, if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Further no-show cause notice has been issued against our Company till date, in respect of above. In the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

For further details of certain material legal proceedings involving our Company, our Promoter, our directors, see “*Financial Information*” beginning on page 170 of this Draft Red Herring Prospectus.

**35. *Our Company has entered into related party transactions in the past and may continue to enter into related party transactions in the future, which may potentially involve conflicts of interest with the equity shareholders.***

Our Company have entered into certain related party transactions with our Promoters, members of the promoter group, Directors and our Group Companies in the past which are in compliance with applicable provisions of Companies Act, 2013 and all other applicable laws. For details, please see “**ANNEXURE - J(i): Restated Statement of Related Party Disclosures**” under the chapter titled “*Restated Financial Statements*” beginning on page 170 of this Draft Red Herring Prospectus. While our Company believes that all such transactions have been conducted on the arm’s length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future and such transactions may potentially involve conflicts of interest. In terms of the Companies Act, 2013 and SEBI LODR Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board and Shareholders for certain party transactions and our undertakes that such related party transactions shall not be done against the interests of the Company and its shareholders as prescribed in the SEBI LODR Regulations. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

**36. *Our Company is subject to foreign exchange control regulations which can pose a risk of currency fluctuations.***

Our Company is involved in various business transactions with international clients and has to conduct the same in accordance with the rules and regulations prescribed under FEMA. Due to non-receipt of such payments in a timely manner, our Company may fail to adhere to the prescribed timelines and may be required to pay penalty to the appropriate authority or department to regularize the payment. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it may adversely affect our business, results of operations, financial conditions and cash flows

**37. *Any inability to maintain our equipment assets or manage our employees or inadequate workloads may cause underutilization of our workforce and equipment, and such underutilization could reduce our ability to efficiently utilize our assets which may have an impact on our profitability***

We are dependent on our large workforce for the operation of our projects and maintain a workforce and utilize our equipment based upon our current and anticipated workloads. As of March, 31, 2024 we have 118 permanent employees. For further details, see “*Our Business – Human Resources*” on page 193. In the past we have faced concerns in relation to availability of work force, in addition to such workforce who have experience in the business similar to ours. We cannot assure you that we may not face shortage of labour in the future. We estimate our future workload largely based on whether and when we will receive certain new contract awards. While our estimates are based upon our best judgment, these estimates can be unreliable and may frequently change based on newly available information. In a project where timing is uncertain, it is particularly difficult to predict whether or when we will receive a contract award. The uncertainty of contract awards and timing can present difficulties in matching our workforce size and equipment bank with our contract needs. In planning our growth, we have been adding to our workforce and equipment bank as we anticipate inflow of additional orders. We may further incur substantial equipment loans if we purchase additional equipment in anticipation of receiving new orders. If we do not receive future contract awards or if these awards are delayed or reduced, we may incur significant costs from maintaining the under-utilized workforce and equipment bank, and may further lack working capital to pay our loan instalments on time or at all, which may result in reduced profitability for us or cause us to default under financing documents for our borrowings.

**38. *Our insurance coverage may not adequately protect us against all losses or the insurance coverage may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the construction, installation, operation and maintenance of WWTPs. We are also required to take appropriate insurance for our Projects individually under the terms of our contracts. Accordingly, we maintain insurance policies to insure our registered office from fire and other perils. We avail inland cargo insurance policy to insure inland movement of all our plant & machinery by road or rail as per requirements. We also maintain insurance policies for our vehicles. These insurance policies are reviewed periodically to ensure that the coverage is adequate. We are also required to take appropriate insurance for our projects under the terms of our contracts. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such Insurances. Our policies are subject to standard limitations.

Further, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows. In respect of some of our ongoing Projects, we have not availed insurance policy. While we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. Further, in the future, we may experience difficulty in obtaining insurance coverage for new Projects at favourable prices, which could require us to incur greater costs. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected. Additionally, if our projects are inadequately insured or not insured at all we may face action from government authorities/bodies by way of penalties for non-compliance of contract terms. Any such action or non-compliance may affect our bids for future projects.

- 39. *Certain premises including our registered office, and branch offices are not owned by us and we have only lease rights over such premises. In the event we lose such rights or are required to negotiate it, our cash flows, business, financial conditions and results of operations could be adversely affected.***

Our Company has entered into certain lease agreements and leave and license agreements in relation to registered office, and branch offices. For further details, please see chapter titled “*Our Business*” beginning on page 117. Any of these lease or license agreements can be terminated, and any such termination could result in any of these offices being shifted. There can be no assurance that we will, in the future, be able to retain, renew or extend the leases for the existing locations on same or similar terms, or will be able to find alternate locations for these offices on similar terms favourable to us, in time or at all. Accordingly, we may experience business disruption, and this may materially and adversely affect our business, financial condition and result of operations.

- 40. *There may be potential conflict of interests between Our Company and other venture or enterprises promoted by our promoter or directors.***

The main business object/activities of one of our entities forming part of promoter group member, Aireff Detox Inc permit it to undertake similar business to that of our business, which may create a potential conflict of interest and which in turn, may have an implication on our operations and profits. Conflicts of interests may arise in allocating business opportunities between our Company and our promoter group where our respective interests diverge. Further, our promoter group member; Aireff Detox Inc is allowed to carry on activities as per its MOA, which are similar to the activities carried by our Company. Further, our Promoters, are also partners of the said firm. This may be a potential source of conflict of interest in addressing business opportunities, strategies, implementing new plans and affixing priorities. In cases of conflict, our Promoters may favour other companies in which our Promoters have interest.

- 41. *We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms. Our failure to obtain sufficient financing could result in delay or abandonment of our business plans and this may have an adverse effect on our growth and operations.***

We may require additional funds in connection with our future business operations. In addition to the Net Proceeds of this Offer and our internal accruals, we may need other sources of funding to meet these requirements, which may include entering into new debt facilities with lending institutions. Our ability to obtain external financing in the future is subject to a variety of uncertainties. 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. If we decide to raise additional funds through the issuance of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financing could cause our debt-to-equity ratio to increase or require us to create charges or liens on our assets in favour of lenders.

We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in delay or abandonment of our business plans and this may have an adverse effect on our future growth and operations.

- 42. *Our inability to respond adequately to increased competition in our business may adversely affect our business, financial condition and results of operations.***

We compete with several companies and entities, as well as large domestic companies with larger projects, greater brand recognition, stronger manpower and greater financial resources and experience. We also face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. The basis of competition includes, among other things, pricing, innovation, perceived value and other criteria. We have experienced price

competition in the past, and there can be no assurance that such price competition will not recur in the future. Growing competition may force us to reduce our bid for WWTPs, which may reduce revenues and margins and/or decrease our market share, either of which could affect our results of operations. Our competitors may succeed in developing larger projects more efficiently and in time than the ones that we may develop. These developments could render us obsolete or in competitive, which would harm our business and financial results.

**43. *An inability to comply with repayment and other covenants in the financing agreements or otherwise meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating.***

Our Company has entered into agreements in relation to financing arrangements with certain banks for working capital facilities, term loans and bank guarantees. As of December 31, 2023, we had total outstanding borrowings of ₹873.10 lakhs. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and effecting change in the constitutional documents or management of our Company. For further details, see “*Financial Indebtedness*” beginning on page 173.

As on December 31, 2023, our total secured borrowings amounted to ₹569.54 Lakhs, comprising of 65.23% of our total indebtedness. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the assets of our Company, together with cash in hand and bank accounts. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted.

Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, availing additional borrowings, change in ownership or management control, changes in shareholding pattern and management set-up including its constitution and composition, amalgamation, demerger, merger, acquisition, corporate or debt restructuring or similar action. Our Company has obtained the necessary consents in relation to the Offer from aforementioned lenders prior to the filing of the Red Herring Prospectus with the RoC, SEBI and Stock Exchanges. Undertaking the Offer without obtaining such consent would be in contravention of the conditions contained in the financing documents and would constitute default under such financing document and we may not be able to proceed with the Offer.

There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations and financial condition may be adversely affected.

**44. *Unsecured loans taken by us can be recalled at any time.***

Our Company have currently availed unsecured loans which may be recalled by the lenders at any time. As on December 31, 2023, the unsecured loans of our Company that may be recalled at any time by the lenders aggregated to ₹303.56 Lakhs, which constituted approximately 34.77% of the total indebtedness of our Company. For further details, see “*Financial Indebtedness*” beginning on page 173. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to undertake new Projects or complete the ongoing Projects, and, as a result, any such demand by the lenders may affect our business, cash flows, financial condition and results of operations.

**45. *Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.***

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund-based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “*Financial Indebtedness*” beginning on page of this Draft Red Herring Prospectus.

**46. *We have taken guarantees from our directors in relation to debt facilities provided to us.***

We have taken guarantees from our directors in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “*Financial Indebtedness*” beginning on page 173 of this Draft Red Herring Prospectus.

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

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

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see “*Government and Other Approvals*” on page 202 of this Draft Prospectus.

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

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

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

**49. *We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors are expected to make our ability to procure business in future more uncertain which may adversely affect our business, financial condition and results of operations.***

Our business is highly competitive. With the liberalisation of the Indian economy, the Government has encouraged competitive bidding. The competitive bidding process entails managerial time to prepare bids and proposals for contracts and at times requires us to resort to aggressive pricing to be able to be awarded the contracts. We may not be in a position to aggressively price our services in the future which may result in loss of business and adversely affect our future prospects.

With increased competition, our ability to estimate costs to provide services required under the contracts and ability to deliver the project on a timely basis will determine our profitability and competitive position in the market. The possibility exists that our competitors might develop new technologies that might cause the existing technology and offerings used by us to become less competitive. Our ability to anticipate such developments and deploy improved and appropriate technologies through development/acquisitions will determine our competitive position in the marketplace. Further, some of our competitors may have access to superior technological and more financial resources than those available to us, as a result of which, they may be more successful than us in bidding for the projects. Any failure on our part to compete

effectively in terms of pricing of our services or providing quality services could have a material adverse effect on our operations and financial condition.

There can be no assurance that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future, or that the companies that are not directly in competition with us now will not compete with us in the future. Accordingly, our business, financial condition, results of operations and future prospects would be adversely and materially affected if we are unable to maintain our competitive advantage and compete successfully against our competitors and any new entrants to our industry in the future.

**50. *We are subject to risks associated with expansion into new geographic regions.***

Expansion into new geographic regions, including different states in India and overseas expansion, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including, laws and regulations, uncertainties and customer's preferences, political and economic stability. By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

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

Since, the Proceeds from Offer is less than Rs.10,000 lakh, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Offer. However, as per the Section 177 of the Companies Act, 2013 and applicable laws, the Audit Committee of our Company would be monitoring the utilization of the Offer Proceeds. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our financials.

**52. *Within the parameters as mentioned in the chapter titled "Objects of this Offer" beginning on page 78 of this Draft Red Herring Prospectus, our Company's management will have flexibility in applying the proceeds of the Offer. The fund requirement and deployment mentioned in the Objects of this Offer have not been appraised by any bank or financial institution.***

We intend to use Net Proceeds towards Funding Working Capital Requirements, Funding of capital expenditure requirements of our Company towards purchase of office Equipments and General corporate purposes. We intend to deploy the Net Proceeds in financial year 2024 – 25, such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Offer may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled "*Objects of the Offer*" beginning on page 78 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company's Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled "*Objects of the Offer*" beginning on page 78 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Offer. Our Board of Directors will monitor the proceeds of this Offer. However, Audit Committee will monitor the utilization of the proceeds of this Offer and prepare the statement for utilization of the proceeds of this Offer. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, a company shall not vary the objects of the Offer without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoter and controlling shareholders shall provide 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.

**53. *Industry information included in this Draft Red Herring Prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although, we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not

guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the 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.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” on page 169 of this Draft Red Herring Prospectus.

**55. *Our Promoters and Promoter Group will continue to retain significant control in our Company after the offer which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.***

After the completion of this Offer, our Promoters and Promoter Group will continue to hold [●]% of the equity share capital of our Company and will be in a position to exercise significant control, 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 will be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favour. If our Promoters and Promoter Group sell a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoters will not be sold any time after the Offer, which could cause the price of the Equity Shares to decline.

**56. *The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholder could be lower than the price determined at time of registering the Prospectus.***

Our Promoters and selling shareholder’s average cost of acquisition of Equity Shares in our Company could be lower than the Price as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters and selling shareholder in our Company, please refer chapter title “*Capital Structure*” beginning on page 61 of this Draft Red Herring Prospectus.

**57. *Our Promoters, certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance other than remuneration and reimbursement of expenses***

Certain of our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. For further details, see “*Our Management*” on page 150. There can be no assurance that our Directors (including our Promoters) will exercise their rights as shareholders to the benefit and best interest of our Company. Except for Directors who are also Key Managerial Personnel and to the extent that they hold equity shares in our Company, no other Key Management Personnel hold equity shares in our Company. Further, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders,

and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

**58. *Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.***

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the past, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

**59. *Our Promoters and Promoter Group Members have provided guarantees for loans availed by us, and in the event the same is enforced against them, it could adversely affect our Promoters' ability to manage the affairs of our Company.***

Our Promoters and Promoter Group Members have given guarantees in relation to certain borrowings availed by our Company. In the event of default on such borrowings, these guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are revoked by our Promoters and some of our Promoter Group Members our lenders may require alternate securities or guarantees and may seek early repayment or terminate such facilities. Any such event could adversely affect our financial condition and results of operations.

**60. *If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. We make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations and financial condition. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**61. *We are exposed to the risks of malfunctions or disruptions of information technology systems.***

We depend on information technology systems and accounting systems to support our business processes, including designing, planning, execution, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to outages due to fire, floods, power

loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence on the part of our third-party distribution partners and employees to avoid any adverse effect to our information technology systems.

## **EXTERNAL RISKS**

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

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager through the Book Building Process. These will be based on numerous factors, including those described under “Basis for Offer Price” on page 87 of this Draft Red Herring Prospectus, and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange. The price of our Equity Shares upon listing on the Stock Exchange will be determined by the market and may be influenced by many factors outside of our control.

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

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

**64. *We have issued Equity Shares during the last one year at a price below the Offer Price.***

Our Company had issued Bonus shares of 1,55,04,667 equity shares on February 20, 2024 in the ratio 20:3 in the last 12 months which may be at lower than the Offer Price. The Equity Shares allotted to shareholders pursuant to this Offer may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see “Capital Structure” on page 67 of this Draft Red Herring Prospectus. The prices at which Equity Shares have been issued by us in last one year should not be taken to be indicative of the Offer Price and the trading price of our Equity Shares after listing.

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

The Offer includes an Offer for Sale of Up to 9,37,500 Equity Shares, in the aggregate, by the Selling Shareholders. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all the Offer related expenses will be exclusively borne by our Company. The expenses of the Selling Shareholders will, at the outset, be borne by our Company and the Selling Shareholders will reimburse our Company for such expenses incurred by our Company on behalf of the Selling Shareholders, in relation to the Offer, upon successful completion of the Offer in the manner as prescribed under applicable law and agreed amongst the Company and the Selling Shareholders. For further information, please see “Objects of the Offer” on page 78 of this Draft Red Herring Prospectus.

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

The Offer Price of our Equity Shares shall be determined by book building method. The price is based on numerous factors (For further information, please refer chapter titled “Basis for Offer Price” beginning on page 87 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Offer.

The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

- i. quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- ii. changes in revenue or earnings estimates or publication of research reports by analysts;
- iii. results of operations that vary from those of our competitors;

- iv. speculation in the press or investment community;
- v. new laws and governmental regulations applicable to our industry;
- vi. future sales of the Equity Shares by our shareholders;
- vii. general market conditions; and
- viii. domestic and international economic, legal and regulatory factors unrelated to our performance.

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

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

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the NSE Emerge. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

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

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

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

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which are sold using any other

platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

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

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

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2024 and the Finance Act, 2023 received assent from the President of India on March 31, 2023. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or in the industry we operate in.

**72. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Offer, there has been no public market for our Equity Shares. Our Company and the Book Running Lead Manager have appointed Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Offer due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**73. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the exchange control regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the Reserve Bank of India. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the approval of the Reserve Bank of India will be required for such transaction to be valid.

Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion) and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Neither the Consolidated FDI Policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change may differ in practice, which may have an adverse effect on our ability to raise foreign capital. We cannot assure

you that any required approval from the Reserve Bank of India or any other governmental agency can be obtained on any particular terms or at all.

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

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

**75. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

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

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

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

Further, the GoI has announced the union budget for Fiscal 2024, pursuant to which the Finance Bill, 2023 ("Finance Bill"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. We cannot predict whether any amendments made pursuant to the Finance Act, 2023 would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

**77. *Our business is substantially affected by prevailing economic, political and other conditions.***

We are incorporated in and substantially all our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations and cash flows are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- financial instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its construction sector.

On February 24, 2022, Russian military forces invaded Ukraine. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict and responses from international communities could lead to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as increase in cyberattacks and espionage.

To date, we have not experienced any material interruptions in our supply chain, manufacturing facility and distribution network in connection with these conflicts. We have no way to predict the progress or outcome of the conflict in Ukraine as the conflict, and any resulting government reactions, are rapidly developing and beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have a substantial impact on the global economy and our business for an unknown period of time. Any of the abovementioned factors could affect our business, financial condition and results of operations.

In addition, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

**78. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology

sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**80. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

**81. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/ Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, Qualified Institutional Buyers and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/ Offer Period and until the Bid/ Offer Closing Date, but not thereafter. Therefore, Qualified Institutional Buyers and Non-Institutional Investors will not be able to withdraw or lower their Bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations or otherwise at any stage after the submission of their Bids.

## SECTION IV – INTRODUCTION

### THE OFFER

<b>PRESENT OFFER OF EQUITY SHARES BY OUR COMPANY IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered</b> <sup>(1)(2)(3)</sup>	Up to 63,00,000*, Equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<b>Out of which:</b>	
(i) Fresh Issue <sup>(1)(2)</sup>	Up to 53,62,500 Equity Shares aggregating up to ₹[●] Lakhs.
(ii) Offer for Sale <sup>(3)</sup>	Up to 9,37,500 Equity Shares aggregating up to ₹[●] Lakhs.
<b>Out of which:</b>	
<b>Offer Reserved for the Market Maker</b>	Up to [●] Equity Shares of face value of ₹10/- each fully-paid up for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<b>Net Offer to the Public</b>	Up to [●] Equity Shares of having face value of ₹10/- each fully paid-up for cash at a price of ₹[●] per Equity Share aggregating ₹[●] Lakhs
<b>Out of which*</b>	
<b>A. QIB Portion</b> <sup>(4)(5)</sup>	Not more than [●] Equity Shares aggregating up to ₹[●] Lakhs.
<b>Of which:</b>	
i) Anchor Investor Portion	Up to [●] Equity Shares aggregating to ₹[●] Lakhs
ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares aggregating to ₹[●] Lakhs
<b>Of which:</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating to ₹[●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating to ₹[●] Lakhs
<b>B. Non-Institutional Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not less than [●] Equity Shares aggregating up to ₹ [●] Lakhs
<b>Pre and Post – Offer Equity Shares</b>	
<b>Equity shares outstanding prior to the Offer</b>	1,78,30,367 Equity Shares of face value of ₹10/- each fully paid-up
<b>Equity shares outstanding after the Offer</b>	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up
<b>Use of Net Proceeds</b>	Please refer to the chapter titled “Objects of the Offer” beginning on page 78 of this Draft Red Herring Prospectus

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

#### Notes:

- (1) The Offer is being made in terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – offer paid up equity share capital of our company are being offered to the public for subscription.
- (2) The Offer including the Fresh Issue has been approved by our Board pursuant to the resolutions passed at its meetings held on May 02, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on May 03, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolutions dated May 02, 2024.
- (3) The Selling Shareholders has confirmed and authorized its participation in the Offer for Sale in relation to the Offered Shares. The Selling Shareholders confirm that the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The details of such authorisation and consent are provided below:

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ Lakhs)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Dr. Varsha Subhash Kamal	Up to [●]	Up to 4,65,000	May 02, 2024	May 02, 2024
Mr. Subhash Ramavtar Kamal	Up to [●]	Up to 4,72,500	May 02, 2024	May 02, 2024

- (4) *The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that: (a) not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders; (b) not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders; and (c) not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to bidders in the other category. Accordingly, we have allocated the Net Issue i.e., not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders; not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Bidders and not more than 50% of the Net Issue to QIBs.*
- (5) *Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Offer Procedure” beginning on page 233 of this Draft Red Herring Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES**

*(₹ in Lakhs)*

Sr. No.	Particulars	Note No.	For the Period / Year Ended 31st March			
			December 31, 2023	2023	2022	2021
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>A.1</b>	232.57	232.57	232.57	232.57
	Reserves & Surplus	<b>A.2</b>	3,098.14	2,123.52	1,609.59	1,168.15
	<b>Share application money pending allotment</b>		-	-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	<b>A.3</b>	139.12	287.97	129.54	140.30
	Other Non-Current Liabilities					-
	Long-Term Provisions	<b>A.4</b>	16.41	17.64	14.26	10.67
	Deferred Tax Liabilities (Net)	<b>A.5</b>	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	<b>A.6</b>	733.98	1,335.04	896.57	737.17
	<b>Trade Payables:</b>	<b>A.7</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		997.90	938.72	796.51	542.95
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		735.73	1047.32	736.90	183.68
	Other Current Liabilities	<b>A.8</b>	223.31	303.63	76.12	213.40
	Short Term Provisions	<b>A.9</b>	346.20	192.13	156.16	91.282
	<b>Total</b>		<b>6,523.36</b>	<b>6,478.54</b>	<b>4,648.22</b>	<b>3,320.17</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	<b>A.10</b>	62.17	49.45	33.97	33.31
	Intangible Assets		-	-	-	-
	Capital Work in progress		-	-	-	-
	Intangible Assets Under Development		-	-	-	-
	Non-Current Investments		686.77	449.29	251.68	168.10
	Deferred Tax Assets	<b>A.5</b>	9.74	9.51	9.39	9.17
	Long Term Loans & Advances		-	-	-	-
	Other Non-Current Assets		159.85	151.34	119.15	59.65
<b>2</b>	<b>Current Assets</b>					
	Current Investments					
	Inventories	<b>A.11</b>	195.73	309.28	324.07	15.02
	Trade Receivables	<b>A.12</b>	4644.04	5167.51	3121.28	2774.50
	Cash and Cash Equivalents	<b>A.13</b>	132.49	4.30	310.94	9.97
	Short-Term Loans and Advances	<b>A.14</b>	32.86	64.54	84.58	112.02
	Other Current Assets	<b>A.15</b>	599.72	273.33	393.16	138.42
	<b>Total</b>		<b>6523.37</b>	<b>6478.54</b>	<b>4648.22</b>	<b>3320.17</b>
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, B & C						

**ANNEXURE – B: RESTATED STATEMENT OF PROFIT AND LOSS**

*(₹ in Lakhs)*

Sr. No	Particulars	Note No.	For the Period / Year Ended 31st March			
			December 31, 2023	2023	2022	2021
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	B.1	9010.02	11509.57	10436.67	5457.31
	Other income	B.2	20.81	31.79	25.00	12.01
	<b>Total Income</b>		<b>9030.83</b>	<b>11541.36</b>	<b>10461.67</b>	<b>5469.32</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of Goods Sold	B.3	6249.15	9161.56	8524.76	4240.44
	Employees Benefit Expenses	B.4	675.79	731.83	649.47	519.01
	Office & Admin Expenses	B.5	72.63	75.85	62.71	38.29
	Selling & Distribution Exp.	B.6	70.39	85.46	69.54	29.64
	Finance costs	B.7	160.12	196.48	93.26	116.10
	Depreciation and Amortization	B.8	15.64	12.27	11.80	17.00
	Other expenses	B.9	471.28	575.76	457.31	203.56
	<b>Total Expenses</b>		<b>7715.00</b>	<b>10839.20</b>	<b>9868.86</b>	<b>5164.04</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>1315.82</b>	<b>702.15</b>	<b>592.81</b>	<b>305.28</b>
	Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>1315.82</b>	<b>702.15</b>	<b>592.81</b>	<b>305.28</b>
	Extraordinary items		-	-	-	-
	<b>Profit before tax</b>		<b>1315.82</b>	<b>702.15</b>	<b>592.81</b>	<b>305.28</b>
	<b>Tax expense:</b>					
	Current tax		341.44	188.34	151.59	90.69
	Deferred Tax	B.10	(0.23)	(0.12)	(0.22)	(9.17)
	Profit (Loss) for the period from continuing operations		<b>974.62</b>	<b>513.94</b>	<b>441.44</b>	<b>223.76</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		5.47	2.88	2.48	1.25
	(2) Diluted		5.47	2.88	2.48	1.25

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D, A&C.

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

*(₹ in Lakhs)*

Particulars	For the Period / Year Ended 31st March			
	December 31, 2023	2023	2022	2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1,315.82	702.15	592.81	305.28
Adjustments for:				
Depreciation	15.64	12.27	11.80	17.00
Provision for Gratuity	0.29	3.53	3.72	11.26
Finance Cost	160.12	196.48	93.26	116.10
Interest Income	(19.31)	(17.45)	(14.83)	(11.48)
<b>Operating profit before working capital changes</b>	<b>1,472.57</b>	<b>896.98</b>	<b>686.76</b>	<b>438.16</b>
Movements in working capital:				
(Increase)/Decrease in Inventories	113.55	14.79	(309.05)	97.69
(Increase)/Decrease in Trade Receivables	523.47	(2,046.23)	(346.78)	(988.11)
(Increase)/Decrease in Short Term Loans & Advances	31.68	20.04	27.44	63.24
(Increase)/Decrease in Other Current Assets	(326.39)	119.83	(254.74)	(40.54)
Increase/(Decrease) in Trade Payables	(252.41)	452.63	806.78	437.36
Increase/(Decrease) in Other Current Liabilities	(80.32)	227.51	(137.28)	68.08
<b>Cash generated from operations</b>	<b>1,482.15</b>	<b>(314.44)</b>	<b>473.14</b>	<b>75.89</b>
Income tax paid during the year	188.89	152.53	86.84	-
<b>Net cash from operating activities (A)</b>	<b>1,293.26</b>	<b>(466.97)</b>	<b>386.30</b>	<b>75.89</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	19.31	17.45	14.83	11.48
(Increase)/Decrease in Non-Current Investments	(237.48)	(197.61)	(83.59)	(168.10)
(Increase)/Decrease in Non-Current Assets	(8.51)	(32.19)	(59.50)	(59.65)
Purchase of Fixed Assets	(28.36)	(27.75)	(12.46)	(7.96)
<b>Net cash from investing activities (B)</b>	<b>(255.04)</b>	<b>(240.10)</b>	<b>(140.71)</b>	<b>(224.24)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(160.12)	(196.48)	(93.26)	(116.10)
Proceeds/(Repayment) of Borrowings	(749.91)	596.90	148.64	109.41
<b>Net cash from financing activities (C)</b>	<b>(910.03)</b>	<b>400.42</b>	<b>55.38</b>	<b>(6.69)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>128.19</b>	<b>(306.65)</b>	<b>300.97</b>	<b>(155.04)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4.30</b>	<b>310.94</b>	<b>9.97</b>	<b>164.99</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>132.49</b>	<b>4.30</b>	<b>310.94</b>	<b>9.97</b>
<b>Cash &amp; Cash Equivalent Comprises</b>				
Cash in Hand	1.44	2.32	2.37	3.61
Balance With Bank in Current Accounts	131.05	1.97	308.57	6.36
Balance with Bank in Deposits Accounts	0.00	0.00	0.00	0.00
<b>Note:</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.				

## GENERAL INFORMATION

### REGISTERED OFFICE OF OUR COMPANY

#### Effwa Infra & Research Limited

G. No. 7, Vardhman Industrial Complex,  
Lal Bahadur Shastri Marg, Gokul Nagar,  
Thane West, Thane – 400601, Maharashtra, India.

**Tel No:** + 91 9833850052

**Email:** [investor@effwa.co.in](mailto:investor@effwa.co.in)

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

**CIN:** U90001MH2014PLC251793

**Registration Number:** 251793

For further details and details of changes in the registered office of our company, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page 147 of this Draft Red Herring Prospectus.

### REGISTRAR OF COMPANIES

#### Registrar of Companies, Mumbai

Ministry of Corporate Affairs,  
100, Everest, Marine Drive,  
Mumbai – 400 002, Maharashtra, India

**Tel No:** 022 – 2281 2627

**Fax:** 022 - 2281 1977

**Email:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

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

### DESIGNATED STOCK EXCHANGE

#### NSE Emerge

#### National Stock Exchange of India Limited

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

**Tel No:** 022 – 2659 8100 / 8114

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

### BOARD OF DIRECTORS

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

Name	Designation	DIN	Residential Address
Dr. Varsha Subhash Kamal	Chairperson & Managing Director	00270314	2701, D-2 Juniper, Neelkanth Greens, Tikuji Niwadi Road, Tikuji Niwadi, Manpada Mulla Baug, Thane – 400610, Maharashtra, India.
Mr. Subhash Ramavtar Kamal	Whole Time Director	00255160	2704, D-2 Juniper, Neelkanth Greens, Tikuji Niwadi Road, Tikuji Niwadi, Manpada Mulla Baug, Thane – 400610, Maharashtra, India.
Mr. Ravindra N Hanchate	Non-Executive Independent Director	07746827	FL 904, A Wing 41, Ester A41/34 to 41/48, Nr Sawatamali Mandir, Punawale, Pune Jambe- 411033, Maharashtra, India.
Mr. Priyesh Bharat Somaiya	Non-Executive Independent Director	08664781	Near Vardhaman Nagar, A-11, Deepa Apartment, Dr R.P Road, LIC Colony, Mulung West, Mumbai- 400080, Maharashtra, India.
Mr. Vijay Prahadbhai Vyas	Non-Executive Independent Director	02738087	B/204, 2 <sup>nd</sup> Floor, Shivam, CS Road No 5, Opp: Union Bank of India, Dahisar East, Mumbai- 400068, Maharashtra, India

For detailed profile of our Board of Directors, please see chapter titled “*Our Management*” beginning on page 150 of this Draft Red Herring Prospectus.

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Dhaval H Mirani is our Company Secretary and Compliance Officer. His contact details are as follows:

**Mr. Dhaval H Mirani**

G. No. 7, Vardhman Industrial Complex,  
Lal Bahadur Shastri Marg, Gokul Nagar,  
Thane West, Thane – 400601, Maharashtra, India.

**Tel No:** +91 9833850052

**Email:** [cs@effwa.co.in](mailto:cs@effwa.co.in)

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

### Investor grievances:

Bidders may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

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

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

## BOOK RUNNING LEAD MANAGER

**Shreni Shares Limited**

*(Formerly Known as Shreni Shares Private Limited)*

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

**Tel No:** 022 - 2089 7022

**Email:** [shrenishares@gmail.com](mailto:shrenishares@gmail.com)

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

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

**Contact Person:** Ms. Tanya Goyal

**SEBI Registration No.:** INM000012759

## REGISTRAR TO THE OFFER

**Bigshare Services Private Limited**

S6-2, 6th Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai – 400 093,  
Maharashtra, India

**Tel No:** 022 – 6263 8200

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**Investor Grievance E-mail:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Mr. Babu Rapheal C  
**SEBI Registration No.:** INR000001385

#### LEGAL ADVISOR TO THE OFFER

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

#### BANKERS TO THE COMPANY

**Yes Bank Limited**  
Yes Bank House, Western Express Highway,  
Santacruz (E), Mumbai – 400055,  
Maharashtra, India.  
**Tel No.:** +919820558584  
**Email:** [ashish.jain21@yesbank.in](mailto:ashish.jain21@yesbank.in)  
**Website:** [www.yesbank.in](http://www.yesbank.in)  
**Contact Person:** Mr. Ashish Jain

#### STATUTORY AUDITORS OF OUR COMPANY

**M/s. Gor & Savla**, Chartered Accountants  
503, 5th Floor, Avior, Nirmal Galaxy,  
Opp. Johnson & Johnson, LBS Marg,  
Mulund (West), Mumbai – 400080, Maharashtra, India.  
**Tel No.:** + 91 9820508324  
**Email:** [info@gorandsavla.com](mailto:info@gorandsavla.com)  
**Contact Person:** CA Bhavin Gor  
**Membership No.:** 113612  
**Firm Registration No.:** 130116W

#### PEER REVIEWED AUDITORS OF OUR COMPANY

**M/s. A Y & CO.**, Chartered Accountants  
505, Fifth Floor, ARG Corporate Park  
Ajmer Road, Gopal Bari, Jaipur – 302006,  
Rajasthan, India  
**Tel No.:** 1+91-9649687300  
**Email:** [info@aycompany.co.in](mailto:info@aycompany.co.in)  
**Contact Person:** Mr. Arpit Gupta  
**Membership No.:** 421544  
**Firm Registration No.:** 020829C  
**Peer Review Registration No. –** 011177

*M/s. A Y & Company, Chartered Accountants hold a peer review certificate dated July 15, 2021 issued by the Institute of Chartered Accountants of India.*

#### BANKERS TO THE OFFER / ESCROW COLLECTION BANK, REFUND BANK AND PUBLIC OFFER BANK

[•]

#### SHARE ESCROW AGENT

[•]

## **SYNDICATE MEMBER**

[•]

*\*The Banker to the Offer, Share Escrow Agent and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the ROC.*

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

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

## **SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)**

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

## **SCSBS AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM**

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

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

## **SYNDICATE SCSB BRANCHES**

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

## **REGISTERED BROKERS**

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

## **REGISTRAR AND SHARE TRANSFER AGENTS (“RTA”)**

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

## **COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)**

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

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **MONITORING AGENCY**

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

## **FILING OF THE DRAFT RED HERRING PROSPECTUS**

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

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

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

## **APPRAISING ENTITY**

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

## **TYPE OF OFFER**

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

## **GREEN SHOE OPTION**

No green shoe option is contemplated under the offer.

## **EXPERTS TO THE OFFER**

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

Our Company has received written consent from Peer Reviewed Auditor namely, M/s. A Y & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated May 06, 2024 and the Statement of Possible Tax Benefits dated May 06, 2024 issued by them and included in this Draft Red Herring Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined

under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## CHANGES IN AUDITORS

There has been no change in the Statutory Auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

## BOOK BUILDING PROCESS

Book building, in the context of the offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus, the Bid Cum Application Forms and the Revision Forms, if any, within the Price Band and the minimum Bid Lot, which will be decided by our company and selling shareholders in consultation with the Book Running Lead Manager, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Marathi daily newspaper, [●], (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their respective website. The offer price shall be determined by our company and selling shareholders in consultation with the Book Running Lead Manager, after the Bid/Offer Closing Date. For details, see “*Offer Procedure*” beginning on page 233 of this Draft Red Herring Prospectus.

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

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

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

For further details, see “*Terms of the Offer*”, “*Offer Structure*” and “*Offer Procedure*” beginning on pages 220, 229 and 233 of this Draft Red Herring Prospectus, respectively.

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

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

## UNDERWRITING AGREEMENT

This offer is 100% Underwritten by Shreni Shares Limited (*Formerly Known as Shreni Shares Private Limited*) in the capacity of underwriter to the offer. The underwriting agreement is dated [●]. Pursuant to the terms of the underwriting Agreement, the obligations of the underwriters are several and are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite the following number of specified securities being issued through this offer:

(₹ in Lakhs)

Details of the Underwriter	No. of Equity Shares Underwritten*	Amount Underwritten	% of total Issue size underwritten
<b>Shreni Shares Limited</b> (Formerly Known as Shreni Shares Private Limited) Office No. 217, Hive 67 Icon, Poisar Gymkhana Road Lokmanya Tilak Nagar, Poisar, Near Raghuleela Mall, Kandivali West, Mumbai - 400067, Maharashtra, India Tel No: 022 - 2089 7022 Email: <a href="mailto:shrenishares@gmail.com">shrenishares@gmail.com</a> Website: <a href="http://www.shreni.in">www.shreni.in</a> Investor Grievance E-mail: <a href="mailto:info@shreni.in">info@shreni.in</a> Contact Person: Ms. Tanya Goyal SEBI Registration No.: INM000012759	Up to 63,00,000*	[●]	[●]

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

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

## MARKET MAKER

### Rikhav Securities Limited

B/501-502, O2 Commercial Building,

Asha Nagar, Mulund (W),

Mumbai – 400080, Maharashtra, India

Tel No: 022 - 69078300/400

Email: [info@rikhav.net](mailto:info@rikhav.net)

Website: [www.rikhav.net](http://www.rikhav.net)

Contact Person: Mr. Hitesh H Lakhani

SEBI Registration No.: INZ000157737

## DETAILS OF THE MARKET MAKING AGREEMENT

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

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

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1.00 Lakh shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding

in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum application lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE.

4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by them.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE EMERGE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
14. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the abovementioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further, the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
16. **Risk containment measures and monitoring for Market Maker:** NSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
17. **Punitive Action in case of default by Market Maker:** NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the

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

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

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

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

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

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

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

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

21. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE from time to time.
22. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.
23. On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price*
<b>A.</b>	<b>Authorized Share Capital<sup>(1)</sup></b>		
	2,50,00,000 Equity Shares of face value of ₹10/- each	2,500.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Offer</b>		
	1,78,30,367 Equity Shares of face value of ₹10/- each	1,783.04	-
<b>C.</b>	<b>Present Offer in Terms of this Draft Red Herring Prospectus</b>		
	Offer of up to 63,00,000 Equity Shares of face value of ₹10/- each aggregating up to ₹[●] Lakhs <sup>(1)(2)(3)</sup>	[●]	[●]
	<i>of which</i>		
	Fresh Issue of up to 53,62,500 Equity Shares of face value of ₹10/- each aggregating up to ₹[●] Lakhs	[●]	[●]
	Offer for Sale of up to 9,37,500 Equity Shares of face value of ₹10/- each aggregating up to ₹[●] Lakhs <sup>(3)</sup>	[●]	[●]
	<b>Which Includes:</b>		
	Up to [●] Equity Shares of face value of ₹10/- each at a price of ₹ [●] /- per Equity Share reserved as Market Maker Portion	[●]	[●]
	Net offer to Public of Up to [●] Equity Shares of ₹10/- each at a price of ₹ [●] /- per Equity Share to the Public	[●]	[●]
	<b>Of Which</b>		
	At least [●] Equity Shares aggregating up to ₹ [●] Lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	At least [●] Equity Shares aggregating up to ₹ [●] Lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. Of which shall be allocated to mutual funds	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Capital After the Offer*</b>		
	Up to [●] Equity Shares of face value of ₹10/- each	[●]	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Offer <sup>(4)</sup>		175.43
	After the Offer		[●]

\*To be included upon finalisation of Offer Price.

<sup>(1)</sup> For details in relation to the changes in the authorised share capital of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 256.

<sup>(2)</sup> The Offer including the Fresh Issue has been authorized by our Board pursuant to resolutions passed at its meetings held on May 02, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on May 03, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolutions dated May 02, 2024. The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale.

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ Lakhs)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Dr. Varsha Subhash Kamal	Up to [●]	Up to 4,65,000	May 02, 2024	May 02, 2024
Mr. Subhash Ramavtar Kamal	Up to [●]	Up to 4,72,500	May 02, 2024	May 02, 2024

<sup>(3)</sup> The Selling Shareholders confirms that the Offered Shares have been held by them for a period of at least one year prior to filing of this Draft Red Herring Prospectus with NSE EMERGE in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the authorization and consent of the Selling Shareholders in relation to the Offered Shares, see "The Offer" on page 53.

<sup>(4)</sup> Securities Premium before the Offer as on December 31, 2023.

## CLASS OF SHARES

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

## NOTES TO THE CAPITAL STRUCTURE

### 1. Changes in Authorized Share Capital

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

- The initial authorized share capital of ₹50,00,000 /- divided into 50,000 Equity Shares of ₹100/- each.
- The Authorized Share Capital was increased from ₹50,00,000 /- divided into 50,000 Equity Shares of ₹100/- each to ₹1,00,00,000 /- divided into 1,00,000 Equity Shares of ₹100/- each vide Shareholders' Resolution dated July 15, 2014.
- The Authorized Share Capital was increased from ₹1,00,00,000 /- divided into 1,00,000 Equity Shares of ₹100/- each to ₹3,00,00,000 /- divided into 3,00,000 Equity Shares of ₹100/- each vide Shareholders' Resolution dated March 22, 2016.
- Split/Sub Division of Shares of ₹100/- each into 10 shares of ₹10/- each on January 16, 2024.
- The Authorized Share Capital was increased from ₹3,00,00,000 /- divided into 30,00,000 Equity Shares of ₹10/- each to ₹25,00,00,000 /- divided into 2,50,00,000 Equity Shares of ₹10/- each vide Shareholders' Resolution dated January 16, 2024.

### 2. Equity Share Capital History of our Company

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

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Equity Shares Capital (₹)
Upon Incorporation	1,000	100/-	100/-	Cash	Subscription to MOA <sup>(i)</sup>	1,000	1,00,000
July 19, 2014	99,000	100/-	100/-	Other than Cash	Pursuant to Takeover Agreement <sup>(ii)</sup>	1,00,000	1,00,00,000
March 30, 2016	1,04,000	100/-	200/-	Other than Cash	Conversion of Loan into Equity <sup>(iii)</sup>	2,04,000	2,04,00,000
March 31, 2017	28,570	100/-	350/-	Other than Cash	Conversion of Loan into Equity <sup>(iv)</sup>	2,32,570	2,32,57,000
Split/Sub-division of the equity shares of our Company from face value of ₹100/- each to ₹10/- each. Pursuant to such Sub-division, the issued and paid-up equity share capital of our Company was sub-divided from 2,32,570 equity shares of face value ₹100/- each to 23,25,700 Equity Shares of face value ₹10/- each on January 16, 2024							
February 20, 2024*	1,55,04,667	10/-	Nil	Other than Cash	Bonus Issue <sup>(v)</sup>	1,78,30,367	17,83,03,670

\*The Bonus Issue has been approved by our shareholders vide Extra - Ordinary General meeting held on February 19, 2024.

(i) Initial Subscribers to the Memorandum of Association of our company:

Sr. No	Name	No of Equity Shares
1.	Dr. Varsha Subhash Kamal	500
2.	Mr. Subhash Ramavtar Kamal	500
	<b>Total</b>	<b>1,000</b>

(ii) Allotment of 99,000 Equity Shares of face value of ₹ 100/- each in Pursuant to Consideration for Takeover of the Business of M/s Effwa Infra & Research via Takeover agreement dated July 10, 2014, as under:

Sr. No	Name	No. of Equity Shares
1.	Dr. Varsha Subhash Kamal	49,500
2.	Mr. Subhash Ramavtar Kamal	49,500
	<b>Total</b>	<b>99,000</b>

(iii) Allotment of 1,04,000 Equity Shares of face value of ₹100/- each Pursuant Conversion of Loan into Equity, as under:

Sr. No	Name	No. of Equity Shares
1.	Dr. Varsha Subhash Kamal	52,000
2.	Mr. Subhash Ramavtar Kamal	52,000
	<b>Total</b>	<b>1,04,000</b>

(iv) Allotment of 28,570 Equity Shares of face value of ₹100/- each Pursuant Conversion of Loan into Equity, as under:

Sr. No	Name	No. of Equity Shares
1.	Dr. Varsha Subhash Kamal	14,285
2.	Mr. Subhash Ramavtar Kamal	14,285
	<b>Total</b>	<b>28,570</b>

(v) Bonus Issue of 1,55,04,667 Equity Shares of face value of ₹10/- each in the ratio of 20:3 i.e., 20 Bonus Equity Shares for 3 Equity Shares held.

Sr. No	Name	No. of Equity Shares
1.	Dr. Varsha Subhash Kamal	79,07,667
2.	Mr. Subhash Ramavtar Kamal	75,97,000
	<b>Total</b>	<b>1,55,04,667</b>

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

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
July 19, 2014	99,000	10/-	100/-	Pursuant to Consideration for the Takeover Agreement of the Business of M/s Effwa Infra & Research via Takeover agreement dated July 10, 2014	Pursuant to Consideration for the Takeover Agreement of the Business of M/s Effwa Infra & Research via Takeover agreement dated July 10, 2014	Dr. Varsha Subhash Kamal	49,500
						Mr. Subhash Ramavtar Kamal	49,500
March 30, 2016	1,04,000	10/-	200/-	Conversion of loan to equity	Conversion of loan to equity	Dr. Varsha Subhash Kamal	52,000
						Mr. Subhash Ramavtar Kamal	52,000

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
March 31, 2016	28,570	10/-	350/-	Conversion of loan to equity	Conversion of loan to equity	Dr. Varsha Subhash Kamal	14,285
						Mr. Subhash Ramavtar Kamal	14,285
February 20, 2024	1,55,04,667	10/-	Nil	Bonus Issue	Capitalization of Surplus	Dr. Varsha Subhash Kamal	79,07,667
						Mr. Subhash Ramavtar Kamal	75,97,000

4. No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.
5. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
6. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as disclosed below, we have not issued any Equity Shares at price below Issue price within last one year from the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
February 20, 2024	1,55,04,667	10/-	Nil	Bonus Issue	Capitalization of Surplus	Dr. Varsha Subhash Kamal	79,07,667
						Mr. Subhash Ramavtar Kamal	75,97,000

## 8. Shareholding Pattern of our Company

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

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)*
								Class-Equity	No of Voting Rights					No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)	
									Class	Total								
A	Promoters & Promoter group	4	1,78,30,363	-	-	1,78,30,363	99.99	1,78,30,363	-	99.99	99.99	-	99.99%	-	-	-	-	1,78,30,363
B	Public	4	4	-	-	4	0.01	4	-	0.01	0.01	-	0.01%	-	-	-	-	4
C	Non - Promoters Non - Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>8</b>	<b>1,78,30,367</b>	<b>-</b>	<b>-</b>	<b>1,78,30,367</b>	<b>100.00</b>	<b>1,78,30,367</b>	<b>-</b>	<b>1,78,30,367</b>	<b>100.00</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>

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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre - offer Equity Share Capital (%)
1.	Dr. Varsha Subhash Kamal	90,93,811	51.00
2.	Mr. Subhash Ramavtar Kamal	87,36,550	48.99
	<b>Total</b>	<b>1,78,30,361</b>	<b>99.99</b>

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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of then pre - offer Equity Share Capital (%)
1.	Dr. Varsha Subhash Kamal	1,18,615	51.00
2.	Mr. Subhash Ramavtar Kamal	1,13,955	49.00
	<b>Total</b>	<b>232,570</b>	<b>100.00</b>

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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of then pre - offer Equity Share Capital (%)
1.	Dr. Varsha Subhash Kamal	1,18,615	51.00
2.	Mr. Subhash Ramavtar Kamal	1,13,955	49.00
	<b>Total</b>	<b>232,570</b>	<b>100.00</b>

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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre - offer Equity Share Capital (%)
1.	Dr. Varsha Subhash Kamal	90,93,811	51.00
2.	Mr. Subhash Ramavtar Kamal	87,36,550	48.99
	<b>Total</b>	<b>1,78,30,361</b>	<b>99.99</b>

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

#### 15. Shareholding of our Promoters and Selling Shareholders

As on the date of this Draft Red Herring Prospectus, our Promoters hold 99.99% of the pre-offer, subscribed and paid-up Equity Share capital of our Company.

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

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre - Offer Equity Share Capital	% of Post Offer Equity Share Capital*	Pledge
<b>1. Dr. Varsha Subhash Kamal</b>									
On Incorporation	Subscription to MOA	Cash	500	500	100/-	100/-	0.03	[●]%	No
July 19, 2014	Pursuant to Takeover Agreement	Other than Cash	49,500	50,000	100/-	100/-	2.78	[●]%	No
March 30, 2016	Conversion of Loan into Equity	Other than Cash	52,000	1,02,000	100/-	200/-	2.91	[●]%	No
March 31, 2017	Conversion of Loan into Equity	Other than Cash	14,285	1,16,285	100/-	350/-	0.80	[●]%	No
March 31, 2021	Gift from Mr. Subhash Ramavtar Kamal	Other than Cash	2,330	1,18,615	100/-	Nil	0.13	[●]%	No
Split/Sub-division of the equity shares of our Company from face value of ₹100/- each to ₹10/- each. Pursuant to such Sub-division, Share held by Dr. Varsha Subhash Kamal, i.e., 1,18,615 equity shares of face value ₹100/- each divided into to 11,86,150 Equity Shares of face value ₹10/- each on January 16, 2024									

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre - Offer Equity Share Capital	% of Post Offer Equity Share Capital*	Pledge
February 20, 2024	Bonus Issue	Other than Cash	79,07,667	90,93,817	10/-	Nil	44.35	[●]%	No
February 26, 2024	Transfer to M/s Kamal Subhash HUF	Cash	(1)	90,93,816	10/-	19/-	Negligible	[●]%	No
	Transfer to Mr. Vijay Vasant Dauge		(1)	90,93,815			Negligible	[●]%	No
	Transfer to Mr. Shylaja Vijay Dange		(1)	90,93,814			Negligible	[●]%	No
	Transfer to Mr. Vijay Kumar Kamtaprasad Yadav		(1)	90,93,813			Negligible	[●]%	No
	Transfer to Mr. Bipin Bihari Mohapatra		(1)	90,93,812			Negligible	[●]%	No
	Transfer to Mr. Manohar Narayan Chavan		(1)	90,93,811			Negligible	[●]%	No
<b>Total</b>				<b>90,93,811</b>			<b>51.00%</b>	<b>[●]%</b> *	

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre - Offer Equity Share Capital	% of Post Offer Equity Share Capital*	Pledge
<b>2. Mr. Subhash Ramavtar Kamal</b>									
On Incorporation	Subscription to MOA	Cash	500	500	100/-	100/-	0.03	[●]%	No
July 19, 2014	Pursuant to Takeover Agreement	Other than Cash	49,500	50,000	100/-	100/-	2.78	[●]%	No
March 30, 2016	Conversion of Loan into Equity	Other than Cash	52,000	1,02,000	100/-	200/-	2.91	[●]%	No
March 31, 2017	Conversion of Loan into Equity	Other than Cash	14,285	1,16,285	100/-	350/-	0.80	[●]%	No
March 31, 2021	Gift to Dr. Varsha Subhash Kamal	Other than Cash	(2,330)	1,13,955	100/-	Nil	(0.13)	[●]%	No
Split/Sub-division of the equity shares of our company from face value of ₹100/- each to ₹10/- each. Pursuant to such Sub-division, Share held by Mr. Subhash Ramavtar Kamal, i.e., 1,13,955 equity shares of face value ₹100/- each divided into 11,39,550 Equity Shares of face value ₹10/- each on January 16, 2024									
February 20, 2024	Bonus Issue	Other than Cash	75,97,000	87,36,550	10/-	Nil	42.61	[●]%	No
<b>Total</b>				<b>87,36,550</b>			<b>48.99%</b>	<b>[●]%</b> *	

\*Post shares offered through OFS

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

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

Category of Promoter	Pre-Offer		Post-Offer*	
	No. of Shares	% of pre-offer Capital	No. of Shares	% of post-offer Capital
<b>Promoters</b>				
Dr. Varsha Subhash Kamal	90,93,811	51.00%	[●]	[●]%
Mr. Subhash Ramavtar Kamal	87,36,550	48.99%	[●]	[●]%
<b>Promoter Group</b>				
M/s Kamal Subhash HUF	01	Negligible	[●]	[●]%
Mr. Vijay Vasant Dauge	01	Negligible	[●]	[●]%
<b>Total</b>	<b>1,78,30,363</b>	<b>99.99%</b>	<b>[●]</b>	<b>[●]%</b>

\*Post shares offered through OFS

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

Name	Designation	No. of Equity Shares held	% of pre-offer paid up capital	% of post offer paid up capital
Dr. Varsha Subhash Kamal	Chairperson & Managing Director	90,93,811	51.00%	[●]%
Mr. Subhash Ramavtar Kamal	Whole Time Director	87,36,550	48.99%	[●]%

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

Sr. No	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Dr. Varsha Subhash Kamal	February 20, 2024	Promoter & Managing Director	79,07,667	--	Bonus Issue in the Ratio of 20:3
2.	Mr. Subhash Ramavtar Kamal	February 20, 2024	Promoter & Whole Time Director	75,97,000	--	Bonus Issue in the Ratio of 20:3
3.	Dr. Varsha Subhash Kamal	February 26, 2024	Promoter and Managing Director	---	01	Transfer to M/s Kamal Subhash HUF
				---	01	Transfer to Mr. Vijay Vasant Dauge
				---	01	Transfer to Mr. Shylaja Vijay Dange
				---	01	Transfer to Mr. Vijay Kumar Kamtaprasad Yadav
				---	01	Transfer to Mr. Bipin Bihari Mohapatra
				---	01	Transfer to Manohar Narayan Chavan
4.	M/s Kamal Subhash HUF	February 26, 2024	Promoter Group	01	---	Transfer From Dr. Varsha Subhash Kamal
5.	Mr. Vijay Vasant Dauge	February 26, 2024	Promoter Group	01	---	Transfer From Dr. Varsha Subhash Kamal

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

## 20. Promoters' Contribution and Lock-in details

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

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post offer Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this offer. As on date of this Draft Red Herring Prospectus, our Promoters holds 1,78,30,361 Equity Shares constituting 99.99% of the post offer, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

Our promoters have granted consent to include such number of equity shares held by them as may constitute of the post offer equity share capital of our company as promoters' contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the promoters' contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified below.

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

Name of Promoter	Date of Allotment/Acquisition & when made fully paid up	No of Equity shares	No of Equity shares locked in	Face Value (in ₹)	Offer Price (in ₹)	Nature of Allotment	% Of Post- Offer Paid-up Capital	Lock-in Period
Dr. Varsha Subhash Kamal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mr. Subhash Ramavtar Kamal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*Note: The above details shall be filled up in the Prospectus.*

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

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

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

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

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

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

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

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

***Pledge of Locked in Equity Shares***

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

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

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

***Transferability of Locked in Equity Shares***

1. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
2. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
21. Neither the Company, nor its Promoters, Directors or the Book Running Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
22. All Equity Shares offered pursuant to the offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be offered fully paid-up Equity Shares.
23. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the SEBI MB Regulations 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
24. As on date of this Draft Red Herring Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOPs till date. As and when, options are granted to our employees under the Employee

Stock Option Scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

25. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “*Basis of Allotment*” in the chapter titled “*Offer Procedure*” beginning on page 233 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the offer shall be as per the requirements of Regulation 253 (2) of SEBI ICDR Regulations, as amended from time to time.
26. An over-subscription to the extent of 10% of the Net Offer can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this offer. Consequently, the actual allotment may go up by a maximum of 10% of the Net Offer, as a result of which, the post issue paid up capital after the offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post issue paid-up capital is locked in.
27. Subject to valid applications being received at or above the Offer Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
28. We have 8 (Eight) Shareholders as on the date of filing of the Draft Red Herring Prospectus.
29. The Equity Shares of our company are in the dematerialization form.
30. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
31. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this offer.
32. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Red Herring Prospectus and the offer Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
33. Our Promoters and Promoter Group will not participate in the offer.

## SECTION V – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

This Offer comprises of Fresh Issue of up to 53,62,500 Equity Shares by our Company aggregating to ₹ [●] Lakhs and an Offer for Sale of up to 9,37,500 Equity Shares aggregating to ₹ [●] Lakhs by the Selling Shareholders.

#### OFFER FOR SALE

Our Company will not receive any proceeds received from the offer for sale by the selling shareholders. However, except for the listing fees which shall be solely borne by our Company, all offer expenses will be shared, upon successful completion of the offer, between our company and the selling shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Offer and the offered shares sold by the Selling Shareholders in the Offer for Sale.

The details of the Offer for Sale are set out below:

(₹ Lakhs)

Name of the Selling Shareholder*	Aggregate amount of Offer for Sale	Number of Equity Shares offered in the Offer for Sale	Date of consent letter
Dr. Varsha Subhash Kamal	Up to [●]	Up to 4,65,000	May 02, 2024
Mr. Subhash Ramavtar Kamal	Up to [●]	Up to 4,72,500	May 02, 2024

\* The Selling Shareholders has confirmed and authorized its participation in the Offer for Sale in relation to the Offered Shares. The Selling Shareholders confirm that the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations.

#### FRESH OFFER

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

1. Funding working capital requirements of our company;
2. Funding of capital expenditure requirements of our company towards purchase of office Equipments;
3. General corporate purposes;

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

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

#### FRESH OFFER PROCEEDS

The details of the proceeds of the Fresh Offer are set forth in the table below:

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds of the Offer	[●]
Less: Offer related Expenses (only those apportioned to the Company) *	[●]
<b>Net Proceeds of the Offer</b>	[●]

\*To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the ROC.

#### UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

(₹ in Lakhs)

Sr. No	Particulars	Estimated Amount*	% of Gross Proceeds	% of Net Proceeds
1.	Funding working capital requirements of our company	3,300.00	[●]	[●]
2.	Funding of capital expenditure requirements of our company towards purchase of office Equipments	41.00	[●]	[●]
3.	General corporate purposes <sup>#</sup>	[●]	[●]	[●]
	<b>Total*</b>	[●]	[●]	[●]

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

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

## PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds of the Fresh Offer (“**Net Proceeds**”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Object	Amount proposed to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2024 - 2025
1.	Funding working capital requirements of our company	3,300.00	3,300.00
2.	Funding of capital expenditure requirements of our company towards purchase of office Equipments	41.00	41.00
3.	General corporate purposes <sup>#</sup>	[●]	[●]
	<b>Total</b>	[●]	[●]

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

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

## MEANS OF FINANCE

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, all of which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. In the event that estimated utilization out of the Net Proceeds in a Fiscal Year is not completely met, the same shall be utilized in the next Fiscal Year. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

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

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds, internal accruals, net worth and existing debt financing. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “*Risk Factors*” on page 27 of this Draft Red Herring Prospectus.

## DETAILS OF THE OBJECTS OF THE OFFER

### 1. Funding working capital requirements;

We fund a majority of our working capital requirements in the ordinary course of business from various banks, unsecured loan and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and unlocking the internal accruals deployed in working capital. The funding of the incremental working capital requirements will lead to a consequent increase in our profitability, ability to utilize internal accruals for growth opportunities and achieving the proposed targets as per our business plan.

#### **Basis of estimation of incremental working capital requirement:**

Our Company proposes to utilize ₹3,300.00 Lakhs of the Net Proceeds in Fiscal 2024 – 2025 respectively towards our Company's working capital requirements. The balance portion of our Company's working capital requirement shall be met from the working capital facilities availed and internal accruals.

The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated May 10, 2024 and key assumptions with respect to the determination of the same are mentioned below. Our Company's composition of working capital as on December 31, 2023 and as at March 31, 2023, March 31, 2022 and March 31, 2021 on the basis of restated financial statements and expected working capital requirements for Fiscal 2024 & Fiscal 2025 are as set out in the table below: \*

(₹ in Lakhs)

Sr. No.	Particulars	Audited	Audited	Audited	Audited	Provisional	Projected
		FY 20-21	FY 21-22	FY 22-23	31.12.2023	FY 23-24	FY 24-25
<b>I</b>	<b>Current Assets</b>						
	Inventories	15.02	324.07	309.28	195.73	165.00	350.00
	Trade Receivables	2,774.50	3,121.28	5,167.51	4,644.04	6,773.87	10,500.00
	Short Term Loans and Advances	112.02	84.58	64.54	32.86	40.02	55.00
	Other Current Assets	138.43	393.17	273.33	599.70	575.44	798.00
	<b>Total (A)</b>	<b>3,039.97</b>	<b>3,923.10</b>	<b>5,814.66</b>	<b>5,472.33</b>	<b>7,554.33</b>	<b>11,703.00</b>
<b>II</b>	<b>Current Liabilities</b>						
	Trade payables	726.63	1,533.41	1,986.04	1,733.63	2,388.53	3,937.50
	Other Current Liabilities	213.40	76.12	303.63	223.31	453.31	550.00
	Short term provisions	91.28	156.16	192.13	346.20	374.18	726.16
	<b>Total (B)</b>	<b>1,031.31</b>	<b>1,765.69</b>	<b>2,481.80</b>	<b>2,303.14</b>	<b>3,216.02</b>	<b>5,213.66</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>2,008.66</b>	<b>2,157.41</b>	<b>3,332.86</b>	<b>3,169.19</b>	<b>4,338.31</b>	<b>6,489.34</b>
<b>IV</b>	<b>Funding Pattern:</b>						
	Short Term Borrowings	737.17	896.57	1,335.04	733.98	1,280.88	<b>3,189.34</b>
	Internal Accruals	1,271.49	1,260.84	1,997.82	2,435.21	3,057.43	
	<b>IPO Proceeds</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>3,300.00</b>

\*As certified by our statutory auditor, M/s. Gor & Savla, Chartered Accountants, pursuant to their certificate dated May 09, 2024.

#### **Assumptions for working capital projections made by our Company:**

Our company is engaged in the business EPC projects, requiring us to maintain both technical and financial proficiency to participate in tenders. Technical eligibility is evaluated based on past experience in executing various types and capacities of Water and Water Waste Management Projects. Financial eligibility, on the other hand, is determined by the average turnover of the last three years and the availability of banking facilities for Bank Guarantees/Letters of Credit. To secure projects, our company is required to provide a Performance and Security Deposit Bank Guarantee equal to a fixed percentage of the work Order, which is around 3% to 5% of the work order value as a Guarantee to the Authority for performance of the work Order.

The Performance Bank Guarantee is retained by the customer until commissioning of the Water and Water Waste Management Projects. Hence, our Company requires significant amount of working capital in order to bid for projects to meet its existing order book. The non-fund based limit is secured by our Company against margin of Fixed Deposits. This

amount of Fixed Deposit is classified under ‘Non-Current Investment’ in the Restated Financial Statements and management is of the opinion that same should be classified as part of long-term working capital.

**Key factors contributing to our Projected Working Capital Requirements:**

**Order Book: -**

As on March 31, 2024, we are executing 08 ongoing projects aggregating into an Order Book of ₹ 16,934.60 Lakhs (As certified by our statutory auditor, M/s. Gor & Savla, Chartered Accountants, pursuant to their certificate dated May 09, 2024). for the complete details about Our Order Book and about our Ongoing Project, please refer the section titled “Our Business” on page 117. of this Draft Red Herring Prospectus.

**To Use Margin Money for Guarantees: -**

As part of our business practice and in accordance with customary procedures, we are obligated to provide financial and performance bank guarantees to our project clients as per the terms of our contractual agreements. These guarantees are typically issued to the relevant authority with whom the contractual arrangement has been established. In order to issue these guarantees in favor of our project clients, we are required to set aside a margin amount. This margin serves as collateral for the guarantees and is necessary to satisfy the requirements of the issuing bank in line of Our Order Book for the fiscal FY 2024-2025.

**Future Order Book: -**

To enhance our order book and successfully bid for major projects, we recognize the critical need for sufficient working capital. Adequate working capital not only facilitates project execution upon receiving a Letter of Intent (LOI) but also strengthens our ability to compete for productive contracts.

**Receivables: -**

The company operates as an Engineering, Procurement, and Construction (EPC) contractor, serving both public sector and private clients, including some prominent companies. Retention of project value for defect liability periods is a common practice in the industry, typically ranging from 5% to 10% of the project value. While this retention provides security against defects, it also ties up working capital, leading to increased working capital requirements as business grows.

The table below sets forth the details of holding levels (in days) for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for the period ended December 31, 2023, as well as provisional for Fiscal 2024 and projected for Fiscal 2025: \*

Particulars	Actual	Actual	Actual	Actual	Provisional	Estimated
	FY 2020-21	FY 2021-22	FY 2022-23	31.12.2023	FY 2023-24	FY 2023-24
Inventory Holding Days	5	7	13	9	8	6
Debtor Holding Days	153	103	131	142	150	150
Creditor Holding Days	44	48	70	76	73	72

\*As certified by our statutory auditor, M/s. Gor & Savla, Chartered Accountants, pursuant to their certificate dated May 09, 2024.

**Key Justifications:**

<b>Inventory</b>	Inventory includes WIP at the sites. This WIP stand basically due to not certifying of work by the engineer, which gets certified and accepted in next running bill. The company had inventory days of around 13 days in Fiscal 2023 and is expecting them to be at 8-10 days in Fiscal 2024 and Fiscal 2025, respectively. Inventory days in Fiscal 2023 were 13 days because invoice was not raised on a customer due to delay in certain standard operating procedure, the invoice was raised in April 23.
<b>Trade Receivable Days</b>	The consistent increase in trade receivables days over the years is notable. In fiscal 2023, it amounted to 131 days, with projections indicating a further increase to 150 days in fiscal 2024 and 2025. This trend is influenced by the standard industry practice wherein approximately 85% to 90% of the project value is received within 90 days, while the remaining 5% to 10% is retained for a two-year defect liability period as per contract terms. This retention of funds contributes to

	the higher average receivable period observed. With the company's enhanced financial eligibility to undertake single projects valued above 80 crores, these receivables are expected to increase considering the monetary value and completion period of the project.
<b>Trade Payables</b>	A combination of lesser credit terms and increased business volume with our suppliers will help us secure better prices from them. This, in turn, would enable us to offer competitive prices to our customers. As the company expands, there will be a need to increase purchases, resulting in a slight rise in trade payables. This increase in payables is necessary to accommodate the larger volume of purchases required to support business growth. Trade payables days in Fiscal 2023 were 70 days, and we expect to maintain payables days at the same level of 70-75 days in fiscal 2024 and fiscal 2025. The company has maintained good relations with its vendors and adheres to the policy of making payments within the allowed credit period to enjoy better operational margins
<b>Short term loans and Advances</b>	Short Term loans and Advances majorly include the salary advances given to the employees. These were Rs 32.86 lakhs at the period ended December 31, 2023 and are expected to increase slightly to Rs 40.02 and Rs 55.00 in Fiscal 24 and Fiscal 2025 respectively. This increase are expected to rise with the increase in level of operations of the company and further new hiring are expected to made by the company.
<b>Other current assets</b>	Other Current Assets basically include the security deposits with the customers, statutory receivables, taxes paid and prepaid expenses. All these current assets are expected to change in correlation with the level of operations and profit of the company.
<b>Other current Liabilities</b>	Other Current liabilities majorly include expenses payable, statutory dues payable, deposit with the authorities etc. All these current liabilities are expected to increase marginally with increase in level of operations of the company.
<b>Short term Provisions</b>	Short term provision majorly includes provision of income tax and gratuity. These are expected to increase with the increase in the profit of the business and increase in number of employees in the organisation.

## **2. Funding of capital expenditure requirements of our Company towards purchase of office Equipments;**

Our Board in its meeting dated May 10, 2024 took note that an amount of ₹ 41.00 Lakhs is proposed to be utilised for Funding of capital expenditure requirements of our company towards purchase of office Equipments at our registered office from the Net Proceeds. Upgradation of existing office Equipments and IT Software at our registered office shall enable better coordination and communication between all our team present at different locations executing our projects. Our Company has received quotations from various suppliers and is yet to place any orders or enter into definitive agreements for purchase and installation of such office Equipments and IT Software, at our registered office. The break-down of such estimated costs are set forth below

(₹ in lakhs)

<b>Description</b>	<b>Quantity</b>	<b>Price per Quantity</b>	<b>Amount in ₹.*</b>	<b>Supplier</b>	<b>Date of Quotation**</b>
<b>Intel core i9 Assemble Desktop:</b> Intel Core i9 (12th Gen) With Gigabyte Z790UD MB/32 GB RAM /1TB SSD/ Graphics Card - Nvidia GeForce GTX1650-4GB Gigabyte/ Cabinet - Corsair SPAC 01 + SMPS 650W/24, Benq LED/1 Year Warranty	7	1.18	8.24	Atlas Engineering & Technologies	March 4, 2024
<b>Assemble Desktop:</b> Intel Core i5 (12th Gen), 8GB RAM, 512GB SSD, ATX Cabinet with SMPS Keyboard Mouse Set 18.5, LED Screen Dell	5	0.46	2.29		
<b>Dell Latitude 3430 Laptop:</b> Core i7-12th Gen/8x2-16GB RAM /512GB SSD/ 14 Screen /WIFI /3Years ADP Warranty, Bag pack	10	0.82	8.15		

Description	Quantity	Price per Quantity	Amount in ₹.\$*	Supplier	Date of Quotation**
<b>Lenovo Think System SR550 Rack Server</b> Intel Xeon Silver 4214 12C 85W 2.2GHz Processor x2/Think System SR650 FAN/ 64 GB RAM 16GB x 4 RAM/ Think System 3.5" 2TB x 5 (10TB) 7.2K SATA 6Gb Hot Swap 512n HDD /Think System RAID 530-8i PCIe 12Gb Adapter / Lenovo X Clarity Enterprise / 2x 1G Ports, 1x750W PSU / 3Yr 24x7 4Hr Response + KYD	1	4.95	4.95		
<b>Microsoft Windows 11Pro</b>	22	0.13	2.75		
<b>Microsoft MS Office Home &amp; Business 2021</b>	22	0.17	3.63		
<b>Microsoft Windows Server 2022 Standard</b>	1	0.86	0.86		
<b>Printer:</b> HP LaserJet Pro MFP M429fdw (W1A35A) Printer	1	0.55	0.55		
<b>Printer:</b> Canon imageRUNNER C3326i	1	2.00	2.00		
<b>D-Link (DGS 1210-28) Managed Layer 2 Edge Switch with fibre modules</b>	2	0.22	0.43		
<b>42U Rack (Wall rack)</b>	1	0.77	0.77		
<b>Synology DS923+ 4-Bay DiskStation NAS:</b> (AMD Ryzen 4 Threads R1600 Dual-Core 4GB Ram 2xRJ-45 1GbE LAN-Port) 18TB Bundle with 6TB x 3 WD Enterprise HDD	2	1.02	2.03		
<b>Firewall:</b> SOPHOS XA1DTCHIN (XGS136 Appliance) with 8 GE incl. 1 PoE (30W) + 1 SFP port, 1 expansion bay for optional 3G/4G module, SSD + Base License (incl. FW, VPN) for unlimited users + power cable with 3 Years License	1	1.76	1.76		
<b>Time Attendance Terminals - BIOMAX - N-BIO101W</b>	1	0.17	0.17		
<b>Digital Panasonic 32 Line EPABX System with Installation</b>	1	0.50	0.50		
<b>CCTV Camera Setup</b>	1	0.49	0.49		
<b>APC Smart-UPS RC 6000VA 230V With MS RACK 42AH X 16 Nos</b>	1	1.45	1.45		
<b>Total</b>			<b>41.00</b>		

*\$Note- Excluding the GST and any other applicable taxes*

*\*GST or any other applicable tax shall be paid from our internal accruals. The quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable shall be paid out of Internal Accruals.*

*\*\*This Quotation is Valid for Six Months.*

We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Quotation received from the vendor mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged to eventually supply the

machineries/equipment or at the same costs. The laptop models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost.

### **3. General corporate purposes;**

Our management will have flexibility to deploy the balance Net Proceeds of the Offer towards general corporate purposes, to be deployed towards including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or repayment of liabilities (on demand) if any or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

We further confirm that in terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue

### **ESTIMATED OFFER RELATED EXPENSES**

Other than (i) the listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and audit fees of statutory auditors (to the extent not attributable to the Offer), which shall be solely borne by our Company; and (ii) fees and expenses for legal counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders, all costs, fees and expenses with respect to the Offer (including all applicable taxes except securities transaction tax, which shall be solely borne by the respective Selling Shareholders), shall be shared by our Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All the expenses relating to the Offer shall be paid by our Company in the first instance and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholders agrees that it shall, severally and not jointly, reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder and each Selling Shareholders authorises our Company to deduct from the proceeds of the Offer for Sale from the Offer, expenses of the Offer required to be borne by such Selling Shareholders in proportion to the Offered Shares, in accordance with Applicable Law.

The total expenses of the Offer are estimated to be approximately [●] Lakhs. The expenses of the Offer include, amongst others, listing fees, selling commission, fees payable to the BRLM, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing and trading of the Equity Shares on the Stock Exchanges.

The details of the estimated issue related expenses are tabulated below:

(₹ in lakhs)

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

\*The fund deployed out of internal accruals up to May 01, 2024 is ₹ 8.29 Lakhs towards issue expenses vide certificate dated May 06, 2024, having UDIN: 24113612BKDBOL2685 received M/s. Gor & Savla, Chartered Accountants, and the same will be recouped out of issue expenses.

\*\*Offer expenses include goods and services tax, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus with the RoC. Offer expenses are estimates and are subject to change.

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

- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- 3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- 4) The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
- 5) Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

## BRIDGE LOANS

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

## MONITORING OF UTILIZATION OF FUNDS

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

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

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement

indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

#### **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

#### **VARIATION IN OBJECTS**

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

#### **OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER’S GROUP FROM THE IPO PROCEEDS**

There is no proposal whereby any portion of the Net Proceeds will be paid to Our Promoters, Promoter Group, Directors and Key Managerial Personnel, Group Companies, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with Our Promoters, Promoter Group, Directors Group Companies, and/or Key Managerial Personnel.

## BASIS FOR OFFER PRICE

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

Bidders should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” beginning on page 27, 170, 175 and 117 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions.

### QUALITATIVE FACTORS

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

- Established track record for timely execution
- Our Order Book
- Complete water solutions provider
- In-house expertise in designing and engineering of water management infrastructure projects
- Lower investments and capital expenditure in our projects due to our outsourcing model
- Experienced Promoter and management team
- Use of advanced technologies in construction and installations

For further details regarding some of the qualitative factors, which form the basis for computing the Offer Price, please see chapter titled “Our Business” beginning on page 117 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from company’s Restated Financial Statements for the financial year ended March 31 2023, March 31, 2022 and March 31, 2021 and for the period ended December 31, 2023 prepared in accordance with Indian GAAP. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 170 of this Draft Red Herring Prospectus.

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

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

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”), as adjusted for changes in capital

##### As per Restated Financial Statements – Post Bonus

Particulars	Basic & Diluted EPS (in ₹)	Weights
March 31, 2023	2.88	3
March 31, 2022	2.48	2
March 31, 2021	1.25	1
<b>Weighted Average</b>	<b>2.48</b>	
For the period ended December 31, 2023 (Not annualised)	5.47	

##### Notes:

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

(5) The face value of each Equity Share is ₹10/-.

## 2. Price Earnings Ratio (“P/E”) in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share

Particulars	(P/E) Ratio at the Floor Price* (no. of times)	P/E Ratio at the Cap Price (no. of times)
<b>Based on Restated Financial Statements</b>		
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-23	[●]	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS	[●]	[●]

\* To be updated at the price band stage.

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

## 3. Industry P/E Ratio

Particulars	P/E Ratio
Highest	[●]
Lowest	[●]
Industry Composite	[●]

## 4. Return on Net worth (RoNW)

*As per Restated Financial Statements*

Particulars	RoNW (%)	Weights
March 31, 2023	24.48	3
March 31, 2022	27.23	2
March 31, 2021	17.27	1
<b>Weighted Average</b>	<b>24.19</b>	
For the period ended December 31, 2023 (Not annualised)	29.26	

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

## 5. Net Asset Value (NAV)

*As per Restated Financial Statements – Post Bonus*

Financial Year	NAV (₹)
March 31, 2023	13.21
March 31, 2022	10.33
March 31, 2021	7.86
For the period from April 01, 2023 to December 31, 2023 (Not annualised)	18.68
Net Asset Value per Equity Share after the Offer at Floor Price	[●]
Net Asset Value per Equity Share after the Offer at Cap Price	[●]
Offer Price*	[●]

\*Offer Price shall be updated in the Prospectus prior to opening the Issue.

**Notes:**

(1) Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the period/year / Number of equity shares outstanding at the end of the period/year.

(2) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

## 6. Comparison of accounting ratios with listed industry peers

Name of Company	CMP (₹)	Face Value (₹)	Basic & Diluted EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
Effwa Infra & Research Limited	[●]	10	2.88	[●]	24.48	13.21
<b>Peer Group</b>						

Name of Company	CMP (₹)	Face Value (₹)	Basic & Diluted EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
VA Tech Wabag Limited	868.15	2	35.01	35.11	0.69	253.24
EMS Limited	416.70	10	21.95	18.98	23.84	103.80

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

**Notes:**

- (1) The figures for our company are based on Restated Financial Statements for the year ended March 31, 2023 after considering the bonus issue.
- (2) P/E Ratio has been computed based on their respective closing market price on May 09, 2024, as divided by the Basic EPS as on March 31, 2023.
- (3) Restated Profit for the year attributable to equity shareholders divided by Net Worth of our Company.
- (4) Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the weighted average number of equities shares outstanding at the end of the year.
- (5) Price Earning (P/E) Ratio in relation to the Offer Price of [●] per share.
- (6) The face value of our share is ₹10/- per share and the Offer Price is of ₹ [●] per share are [●] times of the face value.

Investor should read the above-mentioned information along with the section titled “Risk Factors” beginning on page 27 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “Restated Financial Statements” beginning on page 170 of this Draft Red Herring Prospectus

## 7. Key Performance Indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 10, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs herein have been certified by our Peer review Auditors, M/s. AY & Co, Chartered Accountants by their certificate dated May 06, 2024.

The KPIs of our Company have been disclosed in the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 117 and 175 of this Draft Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1 of this Draft Red Herring Prospectus.

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

### a) Key Performance Indicators of our Company\*

As per Restated Financial Statements

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	9010.02	11509.57	10436.67	5457.31
EBITDA <sup>(2)</sup>	1,491.58	910.90	697.87	438.38
EBITDA Margin (%) <sup>(3)</sup>	16.55%	7.91%	6.69%	8.03%
PAT	974.62	513.94	441.44	223.76
PAT Margin (%) <sup>(4)</sup>	10.82%	4.47%	4.23%	4.10%
Return on equity (%) <sup>(5)</sup>	34.28%	24.48%	27.23%	17.27%
Return on capital employed (%) <sup>(6)</sup>	35.48%	22.89%	24.33%	19.24%
Debt-Equity Ratio (times) <sup>(7)</sup>	0.26	0.69	0.56	0.63
Net fixed asset turnover ratio (times) <sup>(8)</sup>	144.92	232.75	307.25	163.84
Current Ratio (times) <sup>(9)</sup>	1.85	1.52	1.59	1.72
<b>Revenue split between domestic and exports</b>				
In India (Including SEZ)	9010.02	10669.36	10007.05	5,457.31

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Outside India	0.00	840.21	429.62	-
Domestic Market (%)	100.00	92.70	95.88	100.00
Export Market (%)	-	7.30%	4.12%	-

\*As certified by M/s. AY & Co, Chartered Accountants, by way of their certificate dated May 06, 2024.

**Notes:**

- 1) Revenue from operation means revenue from sale of our products
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity
- 6) Earnings before interest and taxes (EBIT) / Capital employed
- 7) Debt to Equity ratio is calculated as Total Debt divided by equity
- 8) Revenue from operation/Net fixed Asset
- 9) Current Ratio is calculated by dividing Current Assets to Current Liabilities

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

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

**Explanations for the certain financial data based on Restated Financial Statements**

Key Financial Performance	Explanations
Financial KPIs	
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on equity (%)	Return on equity (ROE) is a measure of financial performance
Return on capital employed (%)	Return on capital employed is a financial ratio that measures our company’s profitability in terms of all of its capital
Debt-Equity Ratio (times)	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Net fixed asset turnover ratio (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
Current Ratio (times)	The current ratio is a liquidity ratio that measures our company’s ability to pay short-term obligations or those due within one year
Net profit ratio (%)	Net Profit Margin (also known as “Profit Margin” or “Net Profit Margin Ratio”) is a financial ratio used to calculate the percentage of profit our company produces from its total revenue

c) Comparison with Listed Industry Peers

As on March 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	Effwa Infra & Research Limited	VA Tech Limited	Wabag	EMS Limited
Revenue from Operations <sup>(1)</sup>	11509.57		232530	48424.80
EBITDA <sup>(2)</sup>	910.90		6627.00	14488.01
EBITDA Margin (%) <sup>(3)</sup>	7.91%		2.85%	29.92%
PAT	513.94		127	10318.54
PAT Margin (%) <sup>(4)</sup>	4.47%		0.05%	21.31%
Return on Equity <sup>(5)</sup>	24.48%		0.10%	24.10%
Return on Capital Employed (%) <sup>(6)</sup>	22.89%		4.52%	30.18%
Debt to Equity <sup>(7)</sup>	0.69		0.16	0.00
Net fixed asset turnover ratio (times) <sup>(8)</sup>	232.75		40.11	54.67
Current Ratio <sup>(9)</sup>	1.52		1.38	6.53

As on March 31, 2022:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	Effwa Infra & Research Limited	VA Tech Limited	Wabag	EMS Limited
Revenue from Operations <sup>(1)</sup>	10436.67		214261	33766.23
EBITDA <sup>(2)</sup>	672.87		20231.00	10964.03
EBITDA Margin (%) <sup>(3)</sup>	6.45%		9.44%	32.47%
PAT	441.44		9218	7515.71
PAT Margin (%) <sup>(4)</sup>	4.23%		4.30%	22.26%
Return on Equity <sup>(5)</sup>	27.23%		7.59%	22.18%
Return on Capital Employed (%) <sup>(6)</sup>	24.33%		12.19%	28.99%
Debt to Equity <sup>(7)</sup>	0.56		0.32	0.00
Net fixed asset turnover ratio (times) <sup>(8)</sup>	307.25		34.64	43.94
Current Ratio <sup>(9)</sup>	1.73		1.42	3.67

As on March 31, 2021:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	Effwa Infra & Research Limited	VA Tech Limited	Wabag	EMS Limited
Revenue from Operations <sup>(1)</sup>	5457.31		184313	30693.74
EBITDA <sup>(2)</sup>	426.36		17922.00	10049.07
EBITDA Margin (%) <sup>(3)</sup>	7.81%		9.72%	32.74%
PAT	223.76		7303	6981.80
PAT Margin (%) <sup>(4)</sup>	4.10%		3.96%	22.75%
Return on Equity <sup>(5)</sup>	17.27%		6.81%	26.19%
Return on Capital Employed (%) <sup>(6)</sup>	19.24%		12.08%	33.30%
Debt to Equity <sup>(7)</sup>	0.63		0.27	0.00
Net fixed asset turnover ratio (times) <sup>(8)</sup>	163.84		27.50	41.83
Current Ratio <sup>(9)</sup>	1.85		1.48	5.25

**Note:**

- 1) Revenue from operation means revenue from sale of our products
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity
- 6) Earnings before interest and taxes (EBIT) / Capital employed
- 7) Debt to Equity ratio is calculated as Total Debt divided by equity
- 8) Revenue from operation/Net fixed Asset
- 9) Current Ratio is calculated by dividing Current Assets to Current Liabilities.
- 10) Financial information for Effwa Infra & Research Limited is derived from the Restated Financial Statements.

11) All the financial information for listed industry peers mentioned above is on a standalone basis and is sourced from the annual reports as available of the respective company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 submitted to stock exchanges

## 8. Justification for Basis for Offer price

### a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares

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

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

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this 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 share capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there are no such transaction to report to under (a) and (b), the following are the details of the last five primary or secondary transactions (secondary transactions where Promoter, Selling Shareholder or members of the Promoter Group or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

#### Primary Issuances

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

Bonus Issue of 1,55,04,667 Equity Shares of face value of ₹10/- each in the ratio of 20:3 i.e., 20 Bonus Equity Shares for 3 Equity Shares held.

Sr. No	Name	No. of Equity Shares
1.	Dr. Varsha Subhash Kamal	79,07,667
2.	Mr. Subhash Ramavtar Kamal	75,97,000
	<b>Total</b>	<b>1,55,04,667</b>

#### Secondary Issuances

Sr. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Dr. Varsha Subhash Kamal	February 26, 2024	Promoter, Selling Shareholder and Managing Director	-	01	Transfer to M/s Kamal Subhash HUF
				-	01	Transfer to Mr. Vijay Vasant Dauge
				-	01	Transfer to Mr. Shylaja Vijay Dange
				-	01	Transfer to Mr. Vijay Kumar Kamtaprasad Yadav
				-	01	Transfer to Mr. Bipin Bihari Mohapatra
				-	01	Transfer to Manohar Narayan Chavan

Sr. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
2.	M/s Kamal Subhash HUF	February 26, 2024	Promoter Group	01	-	Transfer From Ms. Varsha Subhash Kamal
3.	Mr. Vijay Vasant Dauge	February 26, 2024	Promoter Group	01	---	Transfer From Ms. Varsha Subhash Kamal

**d) Weighted average cost of acquisition, Offer Price**

Weighted average cost of acquisition of Equity Shares based on primary/ secondary transaction(s), as disclosed in paragraph above, are set out below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)**	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 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 granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NA	NA	NA
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity/convertible securities), where our Promoters or Promoter Group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days*	NA	NA	NA
Since there were no primary or secondary transactions of equity shares of the Company during the 18 months preceding the date of filing of this Prospectus, the information has been disclosed for price per share of the Company based on the last five primary or secondary transactions (secondary transactions where Promoter /Promoter Group entities or Selling Shareholders or Shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction), not older than three years prior to the date of filing of this Prospectus irrespective of the size of the transaction.			
- Based on primary transactions	Nil	NA	NA
- Based on secondary transactions	19.00	[●]	[●]

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

\*\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 06, 2024.

**e) Explanation for Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 8 (d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2023, 2022 and 2021 and for the period ended December 31, 2023.**

[●]\*

\*To be included on finalisation of Price Band.

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

The face value of our share is ₹10/- per share and the Offer Price is of ₹ [●] per share are [●] times of the face value. Our Company and the selling shareholder in consultation with the Book Running Lead Manager believes that the Offer Price of ₹ [●] per share for the Public Offer is justified in view of the above quantitative and qualitative parameters. Investor should read the above-mentioned information along with the section titled “*Risk Factors*” beginning on page 27 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “*Restated Financial Statements*” beginning on page 170 of this Draft Red Herring Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
**Effwa Infra & Research Limited**  
07, Vardhman Industrial Complex  
Lal Bahadur Shastri Marg, Gokul Nagar  
Thane West, Thane  
Maharashtra 400601

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Effwa Infra & Research Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

### **Reference - Initial Public Offer of Equity Shares by Effwa Infra & Research Limited**

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Effwa Infra & Research Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2023-24, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the 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.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the 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.
4. 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.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

for inclusion in the 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 AY & Co.**  
**Chartered Accountants**  
**FRN: 020829C**

**Akanksha Gupta**  
Partner  
**M. No.** 421545  
**UDIN:** 24421545BKJMBF3855  
**Place:** Thane  
**Date:** May 09, 2024

## **ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS**

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

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

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Note:**

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

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

## **ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS**

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

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

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

#### **Note:**

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

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

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this chapter 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. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL ECONOMIC OVERVIEW

#### Moderating Inflation and Steady Growth Open Path to Soft Landing

Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, with the 2024 forecast 0.2 percentage point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8 percent in 2024 and to 4.4 percent in 2025, with the 2025 forecast revised down.

With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary and then assumed in the projections could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.

Policymakers' near-term challenge is to successfully manage the final descent of inflation to target, calibrating monetary policy in response to underlying inflation dynamics and where wage and price pressures are clearly dissipating adjusting to a less restrictive stance. At the same time, in many cases, with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation to rebuild budgetary capacity to deal with future shocks, raise revenue for new spending priorities, and curb the rise of public debt is needed. Targeted and carefully sequenced structural reforms would reinforce productivity growth and debt sustainability and accelerate convergence toward higher income levels. More efficient multilateral coordination is needed for, among other things, debt resolution, to avoid debt distress and create space for necessary investments, as well as to mitigate the effects of climate change.

#### Forces Shaping the Outlook

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis is proving surprisingly resilient. Inflation is falling faster than expected from its 2022 peak, with a smaller-than-expected toll on employment and activity, reflecting favorable supply side developments and tightening by central banks, which has kept inflation expectations anchored. At the same time, high interest rates aimed at fighting inflation and a withdrawal of fiscal support amid high debt are expected to weigh on growth in 2024. Growth resilient in major economies. Economic growth is estimated to have been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. In several cases, government and private spending contributed to the upswing, with real disposable income gains supporting consumption amid still-tight—though easing—labor markets and households drawing down on their accumulated pandemic-era savings. A supply-side expansion also took hold, with a broad-based increase in labor force participation, resolution of pandemic-era supply chain problems, and declining delivery times. The rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive manufacturing and business investment.

## The Forecast

### **Growth Outlook: Resilient but Slow**

Global growth, estimated at 3.1 percent in 2023, is projected to remain at 3.1 percent in 2024 before rising modestly to 3.2 percent in 2025. Compared with that in the October 2023 WEO, the forecast for 2024 is about 0.2 percentage point higher, reflecting upgrades for China, the United States, and large emerging market and developing economies. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth. Advanced economies are expected to see growth decline slightly in 2024 before rising in 2025, with a recovery in the euro area from low growth in 2023 and a moderation of growth in the United States. Emerging market and developing economies are expected to experience stable growth through 2024 and 2025, with regional differences. World trade growth is projected at 3.3 percent in 2024 and 3.6 percent in 2025, below its historical average growth rate of 4.9 percent. Rising trade distortions and geoeconomics fragmentation are expected to continue to weigh on the level of global trade. Countries imposed about 3,200 new restrictions on trade in 2022 and about 3,000 in 2023, up from about 1,100 in 2019, according to Global Trade Alert data.

These forecasts are based on assumptions that fuel and nonfuel commodity prices will decline in 2024 and 2025 and that interest rates will decline in major economies. Annual average oil prices are projected to fall by about 2.3 percent in 2024, whereas nonfuel commodity prices are expected to fall by 0.9 percent. IMF staff projections are for policy rates to remain at current levels for the Federal Reserve, the European Central Bank, and the Bank of England until the second half of 2024, before gradually declining as inflation moves closer to targets. The Bank of Japan is projected to maintain an overall accommodative stance. For advanced economies, growth is projected to decline slightly from 1.6 percent in 2023 to 1.5 percent in 2024 before rising to 1.8 percent in 2025. An upward revision of 0.1 percentage point for 2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area.

- In the United States, growth is projected to fall from 2.5 percent in 2023 to 2.1 percent in 2024 and 1.7 percent in 2025, with the lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labor markets slowing aggregate demand. For 2024, an upward revision of 0.6 percentage point since the October 2023 WEO largely reflects statistical carryover effects from the stronger-than-expected growth outcome for 2023.
- Growth in the euro area is projected to recover from its low rate of an estimated 0.5 percent in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9 percent in 2024 and 1.7 percent in 2025. Stronger household consumption as the effects of the shock to energy.
- In Latin America and the Caribbean, growth is projected to decline from an estimated 2.5 percent in 2023 to 1.9 percent in 2024 before rising to 2.5 percent in 2025, with a downward revision for 2024 of 0.4 percentage point compared with the October 2023 WEO projection. The forecast revision for 2024 reflects negative growth in Argentina in the context of a significant policy adjustment to restore macroeconomic stability. Among other major economies in the region, there are upgrades of 0.2 percentage point for Brazil and 0.6 percentage point for Mexico, largely due to carryover effects from stronger-than-expected domestic demand and higher-than-expected growth in large trading-partner economies in 2023.

### **Inflation Outlook: Steady Decline to Target**

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent. The forecast is revised down for both 2024 and 2025 for advanced economies, while it is revised up for 2024 for emerging market and developing economies, mainly on account of Argentina where the realignment of relative prices and elimination of legacy price controls, past currency depreciation, and the related pass-through into prices is expected to increase inflation in the near term. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labor markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Overall, about 80 percent of the world's economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. Most of these economies are expected to reach their targets (or target range midpoints) by 2025. In several major economies,

the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

### **Risks to the Outlook**

With the likelihood of a hard landing receding as adverse supply shocks unwind, risks to the global outlook is broadly balanced. There is scope for further upside surprises to global growth, although other potential factors pull the distribution of risks in the opposite direction. Upside risks. Stronger global growth than expected could arise from several sources:

- **Faster disinflation:** In the near term, the risk that inflation will fall faster than expected could again become a reality, with stronger-than-expected pass-through from lower fuel prices, further downward shifts in the ratio of vacancies to unemployed persons, and a compression of profit margins to absorb past cost increases. Combined with a decline in inflation expectations, such developments could allow central banks to move forward with their policy-easing plans and could also contribute to improving business, consumer, and financial market sentiment, as well as raising growth.
- **Slower-than-assumed withdrawal of fiscal support:** Governments in major economies might withdraw fiscal policy support more slowly than necessary and then assumed during 2024–25, implying higher-than-projected global growth in the near term. However, such delays could in some cases exacerbate inflation and, with elevated public debt, result in higher borrowing costs and a more disruptive policy adjustment, with a negative impact on global growth later on.
- **Faster economic recovery in China:** Additional property sector–related reforms—including faster restructuring of insolvent property developers while protecting home buyers’ interests—or larger than-expected fiscal support could boost consumer confidence, bolster private demand, and generate positive cross-border growth spillovers.
- **Artificial intelligence and supply-side reforms:** Over the medium term, artificial intelligence could boost workers’ productivity and incomes, although this would depend on countries’ harnessing the potential of artificial intelligence. Advanced economies may experience benefits from artificial intelligence sooner than emerging market and developing economies, largely because their employment structures are more focused on cognitive-intensive roles.<sup>2</sup> For emerging market and developing economies with constrained policy environments, faster progress on implementing supply-enhancing reforms could result in greater-than-expected domestic and foreign investment and productivity and faster convergence to higher income levels.

### **Downside risks. Several adverse risks to global growth remain plausible:**

**Commodity price spikes amid geopolitical and weather shocks:** The conflict in Gaza and Israel could escalate further into the wider region, which produces about 35 percent of the world’s oil exports and 14 percent of its gas exports. Continued attacks in the Red Sea through which 11 percent of global trade flows—and the ongoing war in Ukraine risk generating fresh adverse supply shocks to the global recovery, with spikes in food, energy, and transportation costs. Container shipping costs have already sharply increased, and the situation in the Middle East remains volatile. Further geoeconomics fragmentation could also constrain the cross-border flow of commodities, causing additional price volatility. More extreme weather shocks, including floods and drought, could, together with the El Niño phenomenon, also cause food price spikes, exacerbate food insecurity, and jeopardize the global disinflation process.

### **Policy Priorities**

As inflation declines toward target levels across regions, the near-term priority for central banks is to deliver a smooth landing, neither lowering rates prematurely nor delaying such lowering too much. With inflation drivers and dynamics differing across economies, policy needs for ensuring price stability are increasingly differentiated. At the same time, in many cases, amid rising debt and limited budgetary room to maneuver, and with inflation declining and economies better able to absorb effects of fiscal tightening, a renewed focus on fiscal consolidation is needed. Intensifying supply enhancing reforms would facilitate both inflation and debt reduction and enable a durable rise in living standards.

### **Managing the final descent of inflation.**

The faster-than-expected fall in inflation is allowing an increasing number of central banks to move from raising policy rates to adjusting to a less restrictive stance. In this context, ensuring that wage and price pressures are clearly dissipating and avoiding the appearance of prematurely “declaring victory” will guard against later having to backpedal in the event of upside surprises to inflation. At the same time, where measures of underlying inflation and expectations are clearly moving toward target-consistent levels, adjusting rates to more neutral levels—while signaling continued commitment to price stability—may be necessary (considering long transmission lags) to avoid protracted economic weakness and target undershoots. In some emerging market economies, in which the monetary tightening cycle paved the way for earlier rate

reductions, continuing to calibrate the pace of monetary adjustments based on a broad array of wage and price pressure gauges is appropriate. With borrowing costs still high, careful monitoring of financing conditions and readiness to deploy financial stability tools will remain vital for avoiding financial sector strains.

Pre pandemic levels and higher debt-service costs, fiscal consolidation based on credible medium-term plans, with the pace of adjustment depending upon country-specific circumstances, is warranted to restore room for budgetary maneuver. Increasing fiscal balances over a sustained period, while protecting priority investments and support to the vulnerable, is needed in many cases. Well-calibrated plans can support fiscal policy credibility, allow the pace of consolidation to be adjusted as a function of the strength of private demand, and avert disruptive front-loaded adjustments. Mobilizing domestic revenue, addressing spending rigidities, and reinforcing institutional fiscal frameworks are likely to support adjustment efforts, both in economies with sizable spending needs and in others as well. For countries in or at high risk of debt distress, orderly debt restructuring may also be necessary. Faster and more efficient coordination on debt resolution, through the Group of Twenty Common Framework and the Global Sovereign Debt Roundtable, would help mitigate the risk of debt distress spreading.

### **Enabling durable medium-term growth.**

Targeted and carefully sequenced structural reforms can reinforce productivity growth and reverse declining medium-term growth prospects despite constrained policy space. Bundling reforms that alleviate the most binding constraints to economic activity can front-load the resulting output gains, even in the short term, and secure public buy-in. 3 Industrial policies can be pursued where clearly identifiable externalities or important market failures are well established and other more effective policy options are unavailable, but the policies need to be consistent with World Trade Organization (WTO) rules. Such policies are more likely to be successful if complemented with appropriate economy-wide reforms and good governance frameworks. Carbon pricing, subsidies for green investments, reducing energy subsidies, and carbon border-adjustment mechanisms can speed the green transition but must be designed to support consistency with WTO rules. Investments in climate adaptation activities and infrastructure are also needed to support resilience.

### **Strengthening resilience through multilateral cooperation.**

Intensified cooperation in areas of common interest is vital for mitigating the costs of the separation of the world economy into blocs. In addition to coordination on debt resolution, cooperation is required to mitigate the effects of climate change and facilitate the green energy transition, building on recent agreements at the 2023 Conference of the Parties to the UN Framework Convention on Climate Change (COP28). Safeguarding the transportation of critical minerals, restoring the WTO's ability to settle trade disputes, and ensuring the responsible use of potentially disruptive new technologies such as artificial intelligence by, among other things, upgrading domestic regulatory frameworks and harmonizing global principles are further priorities. The IMF Board of Governors' conclusion of the 16th Review of Quotas is a welcome step that needs now to be followed by members' providing their consent to their respective quota increases.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)

## **INDIAN ECONOMY OVERVIEW**

### **Introduction**

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US\$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US\$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India's service exports stood at US\$ 254.4 billion. Furthermore, India's overall exports (services and merchandise) was estimated at US\$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

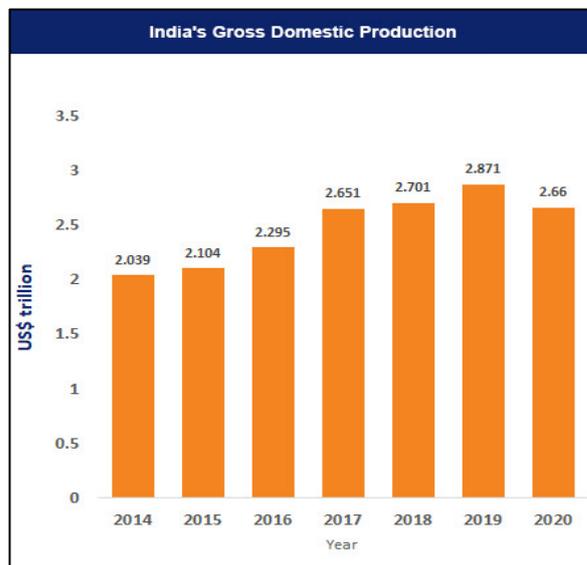
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

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

## Market Size

India's nominal gross domestic product (GDP) at current prices is estimated to be at US\$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US\$ 874.84 billion (Rs. 71.82 trillion), as against US\$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US\$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.

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

## Recent Developments

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

- As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
- 1,261 deals were recorded of more than US\$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US\$ 100 million or more) totalling US\$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.

- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).
- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US\$ 9919.63 billion.
- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.
- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US\$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

### **Government Initiatives**

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

- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US\$ 182.35 million (Rs. 1,500 crore).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on 29th December 2022 by the Ministry of Railways.
- On 7th October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.

- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of US\$ 242.72 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on 14 June 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia
- Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from 1st April 2022, aimed at strengthening interventions for women's safety, security and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at US\$ 142.93 billion (Rs. 10.68 trillion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical

sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.

- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

### Road Ahead

In the second quarter of FY23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In June 2023 (Provisional), CPI-C inflation was 4.81%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## WASTE WATER MANAGEMENT

Wastewater treatment is a process which removes and eliminates contaminants from wastewater and converts this into an effluent that can be returned to the water cycle. Once returned to the water cycle, the effluent creates an acceptable impact on the environment or is reused for various purposes (called water reclamation). The treatment process takes place in a wastewater treatment plant. There are several kinds of wastewater which are treated at the appropriate type of wastewater treatment plant. For domestic wastewater (also called municipal wastewater or sewage), the treatment plant is called a Sewage Treatment. For industrial wastewater, treatment either takes place in a separate Industrial wastewater treatment, or in a sewage treatment plant (usually after some form of pre-treatment). Further types of wastewater treatment plants include Agricultural wastewater treatment and leachate treatment plants.

### **Types of wastewater treatment plants include:**

- Sewage treatment plants
- Industrial wastewater treatment plants
- Agricultural wastewater treatment plants
- Leachate treatment plants

### **Sewage treatment plants:**

Sewage treatment (or domestic wastewater treatment, municipal wastewater treatment) is a type of wastewater treatment which aims to remove contaminants from sewage to produce an effluent that is suitable to discharge to the surrounding environment or an intended reuse application, thereby preventing water pollution from raw sewage discharges. Sewage contains wastewater from households and businesses and possibly pre-treated industrial wastewater. There are a high number of sewage treatment processes to choose from. These can range from decentralized systems (including on-site treatment systems) to large centralized systems involving a network of pipes and pump stations (called sewerage) which convey the sewage to a treatment plant. For cities that have a combined sewer, the sewers will also carry urban runoff (stormwater) to the sewage treatment plant. Sewage treatment often involves two main stages, called primary and secondary treatment, while advanced treatment also incorporates a tertiary treatment stage with polishing processes and nutrient removal. Secondary treatment can reduce organic matter (measured as biological oxygen demand) from sewage, using aerobic or anaerobic biological processes. A so-called quaternary treatment step (sometimes referred to as advanced treatment) can also be added for the removal of organic micropollutants, such as pharmaceuticals. This has been implemented in full-scale for example in Sweden.

### **Industrial wastewater treatment plants:**

Industrial wastewater treatment describes the processes used for treating wastewater that is produced by industries as an undesirable by-product. After treatment, the treated industrial wastewater (or effluent) may be reused or released to a sanitary sewer or to a surface water in the environment. Some industrial facilities generate wastewater that can be treated in sewage treatment plants. Most industrial processes, such as petroleum refineries, chemical and petrochemical plants have their own specialized facilities to treat their wastewaters so that the pollutant concentrations in the treated wastewater comply with the regulations regarding disposal of wastewaters into sewers or into rivers, lakes or oceans. This applies to industries that generate wastewater with high concentrations of organic matter (e.g. oil and grease), toxic pollutants (e.g. heavy metals, volatile organic compounds) or nutrients such as ammonia. Some industries install a pre-treatment system to remove some pollutants (e.g., toxic compounds), and then discharge the partially treated wastewater to the municipal sewer system.

### **Agricultural wastewater treatment plants:**

Agricultural wastewater treatment is a farm management agenda for controlling pollution from confined animal operations and from surface runoff that may be contaminated by chemicals in fertilizer, pesticides, animal slurry, crop residues or irrigation water. Agricultural wastewater treatment is required for continuous confined animal operations like milk and egg production. It may be performed in plants using mechanized treatment units similar to those used for industrial wastewater. Where land is available for ponds, settling basins and facultative lagoons may have lower operational costs for seasonal use conditions from breeding or harvest cycles. Animal slurries are usually treated by containment in anaerobic lagoons before disposal by spray or trickle application to grassland. Constructed wetlands are sometimes used to facilitate treatment of animal wastes.

### **Leachate treatment plants:**

Leachate treatment plants are used to treat leachate from landfills. Treatment options include: biological treatment, mechanical treatment by ultrafiltration, treatment with active carbon filters, electrochemical treatment including electrocoagulation by various proprietary technologies and reverse osmosis membrane filtration using disc tube module technology.

(Source: [https://en.wikipedia.org/wiki/Wastewater\\_treatment](https://en.wikipedia.org/wiki/Wastewater_treatment))

## **GLOBAL WASTE WATER MANAGEMENT INDUSTRY**

Global Water and Wastewater Treatment Market size was valued at around USD 303.45 billion in 2022 and is expected to rise from USD 326.31 billion in 2023 to reach a value of USD 573.29 Billion by 2031, at a CAGR of 7.68% over the forecast period (2024–2031).

Global water and wastewater treatment market has experienced significant growth and transformation in recent years. This market encompasses a wide range of technologies and solutions aimed at purifying and treating water for various applications, including municipal, industrial, and commercial sectors. Rising population, rapid urbanization, and industrialization have increased the demand for clean water and efficient wastewater management across the globe, driving the growth of this market. Stringent government regulations and environmental concerns have further propelled the adoption of water and wastewater treatment solutions. The market is characterized by a diverse array of technologies, including physical, chemical, and biological treatment processes, as well as membrane filtration, disinfection, and desalination techniques. Additionally, the emergence of advanced technologies such as smart water management systems, remote monitoring, and digitalization has revolutionized the industry, offering enhanced efficiency, cost-effectiveness, and real-time data analysis. The market is witnessing significant investments in research and development activities to develop innovative and sustainable solutions, including water reuse and resource recovery systems. The market is also witnessing a shift towards decentralized water and wastewater treatment systems, which offer localized solutions and reduce dependence on centralized infrastructure. Furthermore, the growing adoption of smart meters, IoT integration, and data analytics in water management systems is enabling improved monitoring, efficiency, and predictive maintenance, contributing to the overall growth and advancement of the global water and wastewater treatment market. Moreover, increasing focus on sustainable development, water scarcity issues, and the need for water conservation are expected to drive the market growth in the coming years. Overall, the global market is poised for continuous expansion as the world grapples with the challenges of water scarcity, pollution, and the need for efficient resource management.

The Global Water and Wastewater Treatment Market is segmented by type, application, and region. Based on type, the market can be segmented into Chemicals, equipment and services. Based on application, the market is segmented into Municipal and industrial. Additionally, Industrial Segment is further sub-segmented into Construction, Industrial Manufacturing, Food Industries, Paper and pulp, and Others. Based on region, the market is segmented into North America, Europe, Asia Pacific, Middle East and Africa, and Latin America.

### **Analysis by Type**

The dominant segment in the global water and wastewater treatment market is equipment. The demand for various equipment such as pumps, filters, membranes, and disinfection systems remains high due to their crucial role in water and wastewater treatment processes. This equipment are essential for the efficient removal of contaminants and ensuring the quality of treated water. The equipment segment is driven by factors such as technological advancements, increasing infrastructure development, and the need for upgraded and efficient treatment systems across industries and municipalities.

On the other hand, the fastest-growing segment in the market is services. The services segment includes consulting, design, engineering, maintenance, and operational services provided by specialized companies in the water and wastewater treatment sector. The rapid growth of the services segment is attributed to the increasing focus on outsourcing these activities to experts, who can provide customized solutions, optimize system performance, and ensure compliance with regulatory standards. Additionally, the demand for services is driven by the need for cost-effective and sustainable solutions, along with the rising complexity of water treatment processes and the requirement for skilled personnel to operate and maintain treatment facilities.

### **Analysis by Application**

The dominant segment in the global water and wastewater treatment market is the municipal sector. Municipalities and local governments are responsible for providing safe drinking water to their residents and managing wastewater treatment for urban areas. The increasing population, urbanization, and regulatory requirements for water quality and sanitation drive the demand for water and wastewater treatment solutions in the municipal sector.

On the other hand, the fastest-growing segment in the market is the industrial sector. Industries across various sectors, including manufacturing, chemicals, oil and gas, and mining, are realizing the importance of sustainable water management practices and complying with environmental regulations. The industrial sector's rapid growth is attributed to the increasing focus on water conservation, resource recovery, and the adoption of advanced treatment technologies to minimize the environmental impact of industrial processes.

### **Analysis by Region**

North America dominated the global water and wastewater treatment market. The region boasts advanced infrastructure, stringent environmental regulations, and a high level of awareness regarding water quality and conservation. The demand for water and wastewater treatment solutions in North America is driven by factors such as the need to upgrade aging water infrastructure, address water scarcity issues, and ensure compliance with regulatory standards. Additionally, the presence of well-established market players, technological advancements, and significant investments in research and development contribute to the dominance of North America in the market.

On the other hand, the fastest-growing segment in the market is the Asia Pacific region. Rapid urbanization, industrialization, and population growth in countries like China, India, and Southeast Asian nations have created substantial demand for water and wastewater treatment solutions. The region is witnessing significant investments in infrastructure development, government initiatives towards water conservation and environmental protection, and increasing awareness about the importance of sustainable water management practices. The rising industrial activities, coupled with the need to meet stringent regulations and improve water quality, are driving the growth of the water and wastewater treatment market in the Asia Pacific region.

### **Drivers**

Increasing water scarcity and the growing need for sustainable water management practices. One key driver for the Global Water and Wastewater Treatment Market is the increasing water scarcity and the growing need for sustainable water management practices. As the world faces water scarcity challenges due to factors such as population growth, urbanization, and climate change, there is a heightened demand for efficient water treatment and conservation solutions.

### **Restraints**

High initial capital investment required for implementing water and wastewater treatment systems. A notable restraint for the Global Water and Wastewater Treatment Market is the high initial capital investment required for implementing water and wastewater treatment systems. The installation and operation of treatment plants, procurement of equipment, and adherence to regulatory standards often involve significant upfront costs, which can be a barrier for small-scale businesses and regions with limited financial resources. Access to funding and financial support for implementing water treatment solutions remains a challenge in some parts of the world.

### **Recent Developments**

In December 2023, the association between ADIO and Gradiant underlines their common commitment to propelling water security and environmental change arrangements. This joint effort implies a significant achievement in situating Abu Dhabi as a focal center for worldwide natural development.

On February 2024, the Water and Wastewater Equipment, Treatment, and Transport (WWETT) Show, famous as the world's biggest yearly career expo for wastewater and natural help experts, finished up its occasion held from January 25-27 in Indianapolis, Indiana. The show pulled in north of 12,000 enrolled experts from every one of the 50 states and 61 nations, offering an unmatched instructive program and amazing chances to associate with more than 500 driving providers. Remarkably, 80 of these providers exhibited their items interestingly, highlighting state-of-the-art arrangements in water and wastewater treatment, disinfection, and related administrations, adding to a more secure and cleaner future.

### **Global Water and Wastewater Treatment Key Market Trends**

One key market trend in the global water and wastewater treatment market is the increasing adoption of advanced digital technologies and smart water management systems. This trend involves the integration of IoT (Internet of Things), data analytics, and automation in water treatment processes and infrastructure. The use of sensors, real-time monitoring systems, and remote-control capabilities allows for improved operational efficiency, proactive maintenance, and optimized resource allocation. Smart water management systems provide valuable insights, enable predictive analysis, and help in making informed decisions for efficient water management, conservation, and cost reduction. This trend is driven by the need for enhanced operational control, resource optimization, and sustainability in water and wastewater treatment processes.

(Source: [https://www.skyquestt.com/report/water-and-wastewater-treatment-market#:~:text=Global%20Water%20and%20Wastewater%20Treatment%20Market%20Insights,period%20\(2024%E2%80%932031\)](https://www.skyquestt.com/report/water-and-wastewater-treatment-market#:~:text=Global%20Water%20and%20Wastewater%20Treatment%20Market%20Insights,period%20(2024%E2%80%932031)) )

## INDIAN WASTE WATER MANAGEMENT INDUSTRY

Water and wastewater management is a promising subsector in India's environmental technology segment. India's demand for water is projected to be twice as much as the available supply by 2030. To overcome these challenges, public and private sector facilities have ambitious plans to develop comprehensive water and wastewater treatment and distribution infrastructure. Demand for high-end treatment technologies is growing in India.

According to a 2022 Frost & Sullivan report, the Indian water and wastewater treatment market will likely reach \$2.08 billion by 2025 from \$1.31 billion in 2020, registering growth at a compound annual growth rate (CAGR) of 9.7 percent. The report also ranked India as the sixth largest market for environmental technologies in the world, with subsector rankings of second for water/wastewater management.

Various governmental initiatives, such as the Atal Mission for Rejuvenation and Urban Transformation, National Mission for Clean Ganga, Jal Jeevan Mission, and Community Drinking Water Schemes, contribute to the growth of the Indian water and wastewater treatment market. In May 2019, the Indian government created the Jal Shakti Ministry, bringing all water-related agencies under one ministry to provide safe drinking water to the people of India. Soon after it was founded, the Jal Shakti Ministry launched the Jal Jeevan Mission, designed to provide piped drinking water to 146 million households in 700,000 villages by 2024. The mission earmarked a budget of \$51 billion for states to increase household water connection coverage from 18.33 percent in 2019 to 100 percent by 2024. This ambitious project is creating opportunities for suppliers of water meters, water quality monitoring systems, water management-related IT systems, tertiary treatment technology, and water-related Engineering, Procurement, and Construction companies.

The private sector power, food and beverage, chemicals, pharmaceuticals, refineries, and textiles industries prefer advanced treatment technological systems such as reverse osmosis membranes for treating their wastewater. These water treatment markets are gradually shifting from chemical treatment and demineralization plants to membrane technology. The concept of wastewater recycling and zero discharge systems is becoming more widely accepted as new technologies such as sequencing batch reactor (SBR) and membrane bioreactor (MBR) based treatment gain in adoption.

The coastal states of Tamil Nadu and Gujarat are frontrunners in setting up desalination plants to bolster drinking water supply. Some industries are also setting up desalination plants to meet process water requirements. As examples, some power plants, oil refineries, iron and steel plants, distilleries, cement plants, and fertilizer plants are pursuing the principle of Reuse, Recycle, and Zero Liquid Discharge to better manage water usage and improve their environmental footprint.

The growth in this industry makes it very attractive for U.S. exporters, especially small and medium-sized enterprises, and new-to-market companies. Technologies and services in demand include:

- Engineering and construction services
- UV disinfection
- Water reuse equipment and services (process specific)
- Anaerobic digestion
- Advanced filtration
- Nitrification
- Membrane filtration
- Biological denitrification
- Reverse osmosis (RO)
- Membrane bioreactor systems

- Forward osmosis (FO)

High tariffs, particularly in the area of monitoring and instrumentation, and price sensitivity in government tenders, which favors the lowest bidder with little assessment of cost/quality trade-offs, are examples of market challenges for the export of environmental technologies and services to India.

For entry into the Indian market, it is preferable for U.S. companies to identify quality partners who know this market and are well-versed in procurement issues. Strategic planning, due diligence, and consistent follow-ups are the prerequisites for doing business successfully in India.

U.S. companies may consider the following local trade shows to showcase their technologies and meet Indian companies.

- Water and Solid Waste Expo, February 16-18, 2023 - New Delhi
- Water Today's Water Expo, February 22-25, 2023 – Chennai
- Water India Expo, March 26-29, 2023 – New Delhi
- Water & Plumb Skills Expo 2023, May 18 - 19, 2023 – New Delhi

(Source: <https://www.trade.gov/market-intelligence/india-water-and-wastewater-treatment-industry> )

## **ENGINEERING CONSULTANCY SERVICES & CONSTRUCTION INDUSTRY**

### **Engineering Consultancy Services**

Engineering consulting is the practice of performing engineering as a Consulting Engineer. It assists individuals, public and private companies with process management, idea organization, product design, fabrication, MRO (Maintenance, Repair and Operations), servicing, tech advice, tech specifications, tech estimating, costing, budgeting, valuation, branding, and marketing. Engineering consulting firms may involve Civil, Structural, Mechanical, Electrical, Environmental, Chemical, Industrial, and Agricultural, Electronics and Telecom, Computer and Network, Instrumentation and Control, IT, Manufacturing and Production, Aerospace, Marine, Fire and Safety, etc.

Engineering consultants work on short term projects for different clients. The work needs to meet set requirements, such as improving efficiencies, reducing costs or solving challenges. Working either as part of a larger consultancy firm or independently, engineering consultants usually work to meet specific goals on a specific project. The employment of a consultant may run for the entire duration of a project or just be for a certain part of the project.

### **Construction Industry**

Construction industry refers to the industrial branch of manufacturing and trade related to building, repairing, renovating, and maintaining infrastructures. It is a determinant of the country's technological and technical advancement, often regulating the growth of the country's infrastructural development that often directs to the country's advancement in terms of sustainability assurance. Unfortunately, the construction industry is one of the largest waste generating industries currently. Construction industry contains many elements which yield high carbon footprint such as cement and aggregates production and transportation.

The construction industry is recognized as a sector with great contribution to the economic and social development of a country, particularly due to the number of direct and indirect jobs generated and its influence on several other sectors which produce materials, equipment, and services in its production process. It is usually one of the first sectors to signal a region's financial situation, in times of both exponential growth and economic recession.

On the other hand, population growth in large urban centers has led to an increase in the demand for the construction industry in the last decades in several sectors, which has led to generation of a significant volume of construction and demolition waste (CDW), responsible for 10%–30% of all waste generated in urban areas.

A society is influenced by the CDW from an economic, social, and environmental perspective. The economic impacts of waste management on society include: investment in CDW collection, sorting, and equipment acquisition costs; economic benefits of waste management and the cost of landfills; and profits from recycling.

(Source: <https://www.twi-global.com/technical-knowledge/faqs/what-is-a-consulting-engineer#:~:text=Using%20design%20and%20planning%20expertise,provide%20equipment%20advice%2C%20help%20implement> )

(Source: <https://www.sciencedirect.com/topics/earth-and-planetary-sciences/construction-industry#:~:text=Construction%20industry%20refers%20to%20the,%2C%20renovating%2C%20and%20maintaining%20infrastructures> )

## GLOBAL ENGINEERING CONSULTANCY SERVICES & CONSTRUCTION INDUSTRY

The Engineering Services Market size is estimated at USD 1.67 trillion in 2024, and is expected to reach USD 2.04 trillion by 2029, growing at a CAGR of 4.20% during the forecast period (2024-2029). The market size represents the revenue generated from various types of services, such as product engineering, process engineering, automation-related services, and asset management-related services, offered by market players.

Infrastructure demand is a significant driver of the engineering services industry since it creates a need for specialized skills and encourages innovation. Infrastructure projects are often vast and complicated, necessitating the need for engineering service providers to design, plan, and execute these projects, thereby delivering value-added services to their customers. Furthermore, the need for infrastructure is pushing innovation in the engineering services sector as suppliers create new, more efficient methods of designing and building infrastructure.

The value of all new infrastructure buildings in the United States reached USD 1844.10 billion in February 2023, up from USD 1808.34 billion in October 2022, according to the US Census Bureau. Growing infrastructure is increasing the need for engineering service providers to increase their skills and interact with other providers and stakeholders to satisfy the demands of clients.

The use of digital technologies such as AI, IoT, and cloud computing also drives the market. These technologies are used to gather, process, and analyze massive volumes of data in real-time to make better decisions. Architectural design and engineering services are being transformed by new technology. Engineering businesses must examine and adopt these relevant technological innovations to remain competitive. According to Deltek's research, 25% of architectural and engineering businesses perceive their firms to be digitally advanced now, while 76% anticipate it to be in five years.

However, political insecurity, such as changes in government, laws, and regulations or geopolitical conflicts, can cause uncertainty for businesses and investors, lowering investment and demand for services related to engineering and stifling market growth.

The COVID-19 pandemic highlighted the need for sustainability, with service providers assisting customers in implementing energy-efficient buildings, circular economy projects, and renewable energy. Despite obstacles, including growing labor costs and supply chain interruptions, the industry is expected to develop steadily in the post-pandemic era.

Engineering Services Market growth is not evenly distributed across regions. The US, China, Germany, the UK, and Japan are the largest country markets for Engineering Services, however, many smaller country market segments are expected to register much higher growth compared to these giants. For example, Japan is one of the top five Engineering Services Markets but lags behind emerging economies such as India, South Africa, and Brazil in terms of future growth.

The engineering services market revenue in Japan was valued at USD 90.6 billion in 2023. It is expected to reach USD 114.57 billion by 2028, growing at a CAGR of 4.81% during the forecast period (2023-2028). The country's market is being driven by digital transformation, the expanding mining industry, and the construction sector.

The engineering services market size in India was valued at USD 65.3 billion in 2023. It is expected to reach USD 88.77 billion by 2028, growing at a CAGR of 6.35% during the forecast period (2023-2028). The market is growing in the country due to the digital transformation and the growth of industries such as chemicals, petrochemicals, and pharmaceuticals.

The global engineering services market in South Africa was valued at USD 4.8 billion in 2023, and it is anticipated to reach a value of USD 7.06 billion by 2028, registering a CAGR of 7.91% during the forecasted period (2023-2028). South Africa's engineering services are expanding as the country proceeds to make investments in infrastructure development and modernization. The government has emphasized infrastructure development as an essential priority sector to assist economic growth and job creation, and engineering services play an important role in infrastructure design, building, and maintenance.

### Automotive Sector Holds Major Market Share

With the rising demand for innovation in advanced connectivity features, automotive OEMs are regularly developing electronics and software for passenger and commercial vehicles to stay ahead of their competitors, which is driving the market study.

Moreover, the increasing demand for ADAS for vehicle safety and government regulations for the mandatory use of ADAS in new vehicles are further boosting market growth. For instance, in July 2022, a new set of European rules were introduced, requiring new vehicles to be equipped with mandatory advanced driver-assist systems to improve road safety. The latest safety regulations are expected to help protect passengers, cyclists, and pedestrians across the European Union and are expected to save more than 25,000 lives and avoid at least 140,000 severe injuries by 2038.

The demand for connected vehicles that offer smart features such as remote operation of vehicle functions, internet connectivity, and advanced security features is further anticipated to boost market growth. Automotive OEMs are collaborating with various firms to accelerate the advancement of connected vehicles. For instance, in December 2022, Porsche Engineering partnered with Vodafone Business to establish Europe's first 5G hybrid mobile private network (MPN) at Nardò Technical Center (NTC).

Moreover, the increasing adoption of electric vehicles globally and the deployment of EV charging infrastructure are expected to further boost market growth. According to the International Energy Agency (IEA), the total EV fleet (excluding two- and three-wheelers) is anticipated to increase from over 30 million in 2022 to approximately 240 million by 2030, attaining an average growth rate of about 30%.

Moreover, the market is witnessing various strategic investments by vendors to innovate their offerings. For instance, in January 2023, Cognizant agreed to acquire Mobica, an IoT software engineering services provider. The acquisition is expected to expand Cognizant's IoT-embedded software engineering capabilities across the technology and automotive industries.

### **Asia-Pacific is Expected to Hold Significant Market Share**

China has the largest construction sector in the world. Government rules and policies have had a significant influence on this sector. Due to the property market crisis, low development was expected in the residential and non-residential building sectors in 2022-2023. Infrastructure investment generated by the stimulus is likely to support the industry's overall development over the next few years.

According to ITA, Japanese manufacturers have invested almost USD 890 million in digital infrastructure initiatives. These Japanese manufacturers are expected to have invested a total of USD 4.1 billion in digital infrastructure improvements by 2030. In Japan, value-added manufacturing has contributed over 20% of GDP over the last decade. Capital investments in Japan to update manufacturing facilities, particularly industrial machine tools, by adopting new manufacturing technologies have developed gradually and are expected to continue to expand steadily.

Moreover, according to ITA, India has set determined renewable energy goals for the long and medium term. The nation expects to develop 175 GW of renewable power capacity in 2023 and 500 GW by 2030.

Furthermore, the government assigned INR 173.45 crore (USD 20.93 million) to the Department of Chemicals and Petrochemicals in the Union Budget 2023-24. The Indian government's investment in the oil and gas industry is increasing the country's need for engineering services. Overall, the market for engineering services is expected to rise in the future as a result of several factors, including a robust and diverse economy, a trained workforce, a rise in government initiatives, infrastructure investment, and globalization.

The global engineering services market is highly fragmented, with local and multinational firms having decades of business expertise and competing for market share. Some of the major players in the market are AECOM Engineering Company, Bechtel Corporation, Kiewit Corporation, WSP Global Inc., and STRABAG SE, among others. Players in the market are adopting strategies such as partnerships and acquisitions to enhance their service offerings and gain a sustainable competitive advantage.

The global construction market size reached a value of approximately USD 13.57 trillion in 2023. The market is further estimated to grow at a CAGR of 6.5% between 2024 and 2032 to attain a value of around USD 23.92 trillion by 2032.

### **Construction Market Share by Region**

#### **The Asia Pacific is Witnessing Rapid Growth, Supported by Favourable Government Initiatives**

China has established its position as one of the largest construction markets in the world due to factors like a wide population base and rapid urbanisation. An increasing number of government-funded infrastructure projects, coupled with the rising foreign investments in the China construction industry, are also favouring the market expansion. Besides, the growing tourism sector and surging retail activities are further fuelling the market in the country.

India also accounts for a significant construction market share amid healthy economic development, the rising construction of smart cities, and growing infrastructural development activities. The robust growth of the construction and logistics sectors and the surging development of cold storage are also propelling the market growth in India.

### **Europe to Grow at a Healthy Pace in the Forecast Period**

In Europe, countries such as the United Kingdom, Germany, France, and Italy are driving the market growth due to their healthy economic development. The UK construction market size, especially, is expanding amid the modernisation of ageing infrastructure and the growing housing demand. Currently, the United Kingdom exports most of its total building materials to European countries. It also imports a significant percentage of the complete construction building materials from other European countries.

According to the construction industry statistics, residential construction activities are significantly increasing amid the rising demand for housing and the improving living standards of the middle-class population. Meanwhile, the commercial construction market revenue is expected to rise amid the robust growth of sectors like hospitality, retail, leisure, and healthcare, among others. Further, evolving regulations regarding worker safety and sustainability are prompting key players to adopt innovative technologies in commercial construction activities.

Construction refers to the act of creating commercial, institutional, or residential infrastructures like bridges, buildings, roads, and other structures. The different materials used in modern-day construction include clay, stone, timber, brick, concrete, metals, and plastics, among others.

(Source: <https://www.mordorintelligence.com/industry-reports/engineering-services-market>)

(Source: <https://www.expertmarketresearch.com/reports/construction-market>)

## **INDIAN ENGINEERING CONSULTANCY SERVICES & CONSTRUCTION INDUSTRY**

### **Indian Engineering Consultancy Services**

Engineering and technical consultancy services, as the term suggests, include a wide bouquet of premium services that are classified under pre project, project execution and post-project, broadly covering functions such as project identification/evaluation; environmental impact assessment, development/sourcing of technologies; preparation of feasibility reports, market studies; designing of projects, equipment procurement and erection; engineering design services, project management services, architectural/construction engineering services; and project commissioning, operations and maintenance. The need for specialists with experience and expertise are required to offer sustainable solutions to Indian infrastructure needs.

The demand for the aforementioned services are expected to burgeon in India, promoting the growth of the consultancy sector. As we all know, Innovation drives economic growth and it encompasses “new to the world” knowledge creation and commercialization as well as “new to the market” knowledge dispersal and absorption. While ‘innovation’ translates to letting go of conventional approaches and replacing those with modern solutions that are more viable and effective, many practicing professionals, including consultants needs to be upskilled to cater to the evolving demand.

The infrastructure industry must put innovation at the heart of its future developmental goals to address many of the current and impending domestic & global challenges such as climate change, energy intensity of the economy, effective and efficient infrastructure, in line with the increased pace of urbanization in the developing countries. As the infrastructure sector continues to grow in India, there are rising demands for many new technologies in the ever-growing Construction industry. Many of these technologies are either being developed indigenously or are being imported from overseas. With this, the scope and role of engineering consultants are also increasing manifold.

Smart Cities Mission is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology, especially technology that leads to Smart outcomes. While sustainability and environment friendly construction becoming the need of the hour, green buildings are witnessing growing demands. Many International standards have been drawn up for Green Buildings. In India though, from merely 20000 square feet of green buildings in 2003, the country now has over 20 million square feet of green buildings. What is needed now is a comprehensive code for green buildings. The Green Building Code in India is a mix of codes and standards contained in the State by-laws, the National Building Code, the Energy Conservation Building Code (ECBC) and in the norms set by the ratings programmes, such as Leadership in Energy and Environmental Design-India (LEED-India), the standards and guidelines put down for the Residential Sector by the Indian Green Building Council (IGBC), TERI-GRIHA and other such certifications.

Governments Jal Jeevan Mission, is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. Here as well, engineering consultancy services will witness demand. The work load of engineering consultants is going to be enormous in all sectors of construction viz. smart cities, smart mobility, healthcare, Power, Water, Bridges, Infrastructure, Safety related services, amongst others.

The Hon'ble Prime Minister, Govt. of India has reviewed the infrastructure projects in India recently and has given a Mega Push in Roads, Power, Coal, Civil Aviation, Railways Sectors, smart cities development, Dams and water etc by announcing multiple new projects which shall generate new challenges and opportunities for Consultants & Engineers to work upon, bringing in stellar innovations and creativity.

### **Indian Construction Market Analysis**

The size of India Construction market is around USD 639 billion in the current year and is anticipated to register a CAGR of over 6% during the forecast period.

Top property developers are planning launches of plots close to major cities as they seek to exploit a surge in demand in this segment during the pandemic. Post-Covid, Indians have realized the need for bigger spaces and, more importantly, open spaces. Naturally plotted houses have more open & breathable spaces, compared to an apartment.

Increase in population is demanding more space for accommodation, especially in tier 1 cities. To fulfill the demand, construction activities have been increased by both government bodies and private sector companies. In India, government is also emphasizing on the development of rural areas. These are the key factors that have been fueling the growth of the construction market.

The commercial real estate sub-sector is positioned for development as people return to workplaces and businesses adapt to hybrid working arrangements. As more companies send their workers back to work, there is a gradual rise in the need for commercial office space.

In Hyderabad, the plotted development has uniformly developed along the Outer Ring Road and is also growing along the major highways. Currently, the southern zone of Hyderabad witnesses' maximum traction for the residential land segment along the proposed Pharma City Corridor and international airport. The upcoming metro will enhance the connectivity of this part with the central and western zones. Micro markets such as Kothur, Shadnagar, and Maheshawaram have taken the lead in demand for residential land in this zone. The rising interest in residential plots in Hyderabad is visible in the growth in land prices which have registered a 21 percent increase in prices after the pandemic which is the highest compared to the top-8 cities is also driving the construction market.

### **Infrastructure projects drives the market**

As part of the Sagarmala Program, more than 610 projects with a total cost of USD 10.5 billion will be carried out between 2015 and 2035. These projects will focus on modernizing and building new ports, improving port connectivity, boosting port-linked industrialization, and building up coastal communities.

Bharatmala Pariyojana is a new highway umbrella program that focuses on improving the efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps with effective interventions such as the development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International Connectivity Roads, Coastal and Port Connectivity Roads, and Green-field expressways.

### **Rising Residential Property Sales**

In the first half of 2022, around 44 thousand housing units were sold in Mumbai, India's most demanding residential housing market. All the eight biggest metropolitan areas of India recorded a significant increase in housing sales, according to Knight Frank. Private market investor, Blackstone, which has significantly invested in the Indian real estate sector (worth Rs. 3.8 lakh crore (USD 50 billion)), is seeking to invest an additional Rs. 1.7 lakh crore (USD 22 billion) by 2030.

Driven by increasing transparency and returns, there's a surge in private investment in the sector. Indian real estate attracted USD 5 billion in institutional investments in 2020, equivalent to 93% of transactions recorded in the previous year. The real estate segment attracted private equity investments worth Rs. 23,946 crores (USD 3,241 million) across 19 deals in Q4 FY21. In the first half of 2021, India registered investments worth USD 2.4 billion into real estate assets, a growth of 52% YoY.

(Source: <https://www.egis-group.com/all-insights/growth-of-engineering-consultancy-sector-in-india>)

(Source: <https://www.mordorintelligence.com/industry-reports/india-construction-market> )

## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “Risk Factors” and chapters titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 27, 170 and 173 respectively, of this Draft Red Herring Prospectus.*

*Unless otherwise indicated, the Restated Financial Statements included herein is based on our Restated Financial Statements for period ended December 31, 2023 and Financial Years ended on March 31, 2023, 2022 and 2021 included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 170 of this Draft Red Herring Prospectus.*

### OVERVIEW

Our company, “**Effwa Infra & Research Limited**”, (“**EIRL**”) is engaged in the business of engineering, consultancy, procurement, construction and integrated project management services in water pollution control, encompassing sewage and industrial effluent treatment, solid waste treatment and disposal, ventilation systems, hazardous waste management, and water treatment plants. Additionally, we specialize in hazardous waste incineration. We also function as consultants and advisors, providing a range of services encompassing project organization, management, equipment procurement, funding, and project execution. Our expertise spans the entire project lifecycle, from registration and design to implementation, supervision, and finalizing contract terms.

Our company “**EIRL**” is ISO 9001:2015 Certified focussing on Engineering, Procurement, Construction, Commissioning, Operation & Maintenance Services for Effluent and Sewage Treatment with Recycling, Water Treatment, Integrated Municipal Solid Waste Management, Hazardous Waste Incineration & Bioremediation of Lakes. Our Company also offers end-to-end project management solutions towards environmental preservation. Our focus lies in ensuring environmentally friendly waste processing practices, including Effluent Treatment Plant management (ETP), Sewage Treatment and Reclamation (STP), Water Treatment and Distribution (WTP) and Hazardous Waste Management.

Our company has acquired the running business of M/s. Effwa Infra & Research, a Partnership firm of our promoters, Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal vide Take Over Agreement dated July 10, 2014 entered by and between our promoter and our company.

Our Company works on the concept revolving around 4R i.e., Reducing, Recycling, Reusing and Rehabilitation to provide technological solutions for a range of industries, thus, enabling them to achieve Zero Liquid Discharge through recovery and recycling of water from effluent streams. We cater to the following industries such as textile, leather, paper, food processing, dairy, chemicals, dyes and intermediates, steel, mining, power, pharmaceutical and bulk drugs, sugar, distilleries, fertilizers, pesticides, ceramics, petrochemicals, and many others. Furthermore, our emphasis on achieving ZLD demonstrates a commitment to minimizing environmental impact and maximizing resource efficiency, which can be attractive to environmentally conscious businesses and regulatory bodies.

Our company EIRL offers comprehensive services across various industries and sectors, covering the entire project lifecycle from “**concept to commissioning**”. Our services include the preparation of project feasibility reports, technology selection, project management, process design, basic and detailed engineering, procurement, inspection, supply chain management, cost engineering, planning and scheduling, facilitation of statutory and regulatory approvals for Indian projects, construction management, and commissioning. Additionally, we provide services such as equipment design, environmental engineering services, materials and maintenance services, plant operation, and safety services.

We acquire projects through transparent competitive bidding process undertaken by the state government institution, central governments institution, public sector undertakings and other private institution. We participate in tenders for projects for Effluent Treatment Plant, Sewage Treatment Plant and Reclamation, Industrial Wastewater Treatment and Distribution, with ZLD (Zero Liquid Discharge) System.

The infrastructure for water management project includes designing of project, construction, procurement of raw materials which includes installation of jack wells including pump houses, laying of pipeline, electro-mechanic works, on-site execution with overall project management until the commissioning of projects. Post commissioning, we also provide operations and maintenance services for the projects for a certain period of time (typically, ranging from three to five years). We also have a separate AMC team personnel who are focused on operations and maintenance of completed projects of our Company.

Our company operates in the Domestic Market as well as International Market, across Eight States including a Special Economic Zone. These regions include Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra, Odisha, West Bengal, Madhya

Pradesh, Rajasthan, and the Special Economic Zone includes Adani Port based on sales made for the period ended December 31, 2023 and for the financial year March 31, 2023, 2022 and 2021.

Our company is promoted by Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal, who collectively possess more than a two decades of experience in the water and wastewater treatment industry, respectively. Their vision and growth strategies influence our company, enabling us to anticipate, guide, manage, develop, and control major aspects of our business operations, as well as leverage customer relationships, for further details, please see the chapter titled, “Our Management” and “Our Promoter and Promoter Group” on page 150 and 164 of this Draft Red Herring Prospectus. We attribute our success to their sustained efforts over the years in key areas of our business, including project management, process improvements and the expansion of our operational scale. We believe that the collective experience of our management team, coupled with their deep understanding of industry dynamics, regulatory affairs, sales, marketing, and finance, positions us to capitalize on current and future market opportunities.

Our primary focus is to strengthen our prospects in executing Effluent Treatment Plant with Recycling, Effluent Treatment Plant with Zero Liquid Discharge System and Sewage Treatment Plant Projects. We have started with 3 MLD size of project & increased our capacity to 135 MLD. Our Company has proven its execution capabilities in large EPC contracts such as the construction of a 135 MLD plant for water treatment at Odisha for the Sukinda Mine Plant. The average period for the execution for EPC projects is between 18 to 24 months. The average period for execution varies between one year and five years for O&M projects.

Our company has successfully completed over 45 water management infrastructure projects as on December 31, 2023, catering to a diverse clientele including public sector undertakings (PSUs), municipal corporations, state governments, and private enterprises. Over the years, we have cultivated a specialized team comprising 12 engineers dedicated to the design, engineering, and construction of Wastewater Treatment & Recycling Systems, focusing on Zero Liquid Discharge system with conveyance systems for secondary treated sewage water and fresh water. In addition to our design team, we have a workforce of 76 engineers spanning Civil, Mechanical, and Electrical Instrumentation & Automation, Piping, Safety & Quality Control Disciplines, tasked with the seamless execution of projects. Recognizing the importance of adhering to stringent compliance and quality standards mandated by government agencies, we collaborate with third-party consultants and industry experts as needed, ensuring that our projects meet regulatory requirements.

#### Key Performance Indicators of our Company.

##### As per Restated Financial Statements

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	9,010.02	11,509.57	10,436.67	5,457.31
EBITDA <sup>(2)</sup>	1,491.58	910.90	697.87	438.38
EBITDA Margin (%) <sup>(3)</sup>	16.55%	7.91%	6.69%	8.03%
PAT	974.62	513.94	441.44	223.76
PAT Margin (%) <sup>(4)</sup>	10.82%	4.47%	4.23%	4.10%
Return on equity (%) <sup>(5)</sup>	34.28%	24.48%	27.23%	17.27%
Return on capital employed (%) <sup>(6)</sup>	35.48%	22.89%	24.33%	19.24%
Debt-Equity Ratio (times) <sup>(7)</sup>	0.26	0.69	0.56	0.63
Net fixed asset turnover ratio (times) <sup>(8)</sup>	144.92	232.75	307.25	163.84
Current Ratio (times) <sup>(9)</sup>	1.85	1.52	1.59	1.72
<b>Revenue split between domestic and exports</b>				
In India (Including SEZ)	9,010.02	1,0669.36	10,007.05	5,457.31
Outside India	0.00	840.21	429.62	-
Domestic Market (%)	100.00	92.70	95.88	100.00
Export Market (%)	-	7.30%	4.12%	-

\*As certified by M/s. AY & Co, Chartered Accountants, by way of their certificate dated May 06, 2024.

##### Notes:

- 1) Revenue from operation means revenue from sale of our products
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity
- 6) Earnings before interest and taxes (EBIT) / Capital employed
- 7) Debt to Equity ratio is calculated as Total Debt divided by equity

- 8) *Revenue from operation/Net fixed Asset*
- 9) *Current Ratio is calculated by dividing Current Assets to Current Liabilities*

## **OUR STRENGTHS**

We believe that the following competitive strengths have contributed to our business growth and will continue to drive our success

### **1. Established track record for timely execution**

We have a track record of effectively utilizing our management bandwidth, skills, and internal systems to execute projects that span several years for completion. Our company has proven its execution capabilities in managing significant Engineering, Procurement, and Construction (EPC) contracts, such as the construction of a 3 MLD to 135 MLD plant for Treatment of Industrial Effluent/ Waste Water and Recycling. Typically, the average period for the execution of EPC projects ranges between 18 to 24 months, while for Operations and Maintenance (O&M) projects, it varies from one year to five years. The construction of water and wastewater treatment projects demands a substantial amount of technical expertise and skill in execution. Pre-qualification for bidding on projects often relies on the past experience of executing similar projects and financial strength.

One of the important differentiators in water management infrastructure solution provider companies is its capacity to timely complete the project on time within the given budget. A project's timely or early completion results in technical competency, which is advantageous when a company is being evaluated technically before being awarded the contract. We focus on minimising the amount of time spent on each project activity, from project planning and execution to equipment planning and acquisition. Our focus is to leverage our designing and execution capabilities to complete projects in a timely manner.

### **2. Our Order Book**

Our company is actively engaged in the design, installation, and commissioning of water waste management infrastructure projects. At present, we are managing several ongoing projects. Our Order Book, as of March 31, 2024, stands at ₹ 16,934.60 Lakhs. Within this book, 70% of the total value is attributed to Public Sector Undertakings (PSUs), while 30% pertains to other industrial clients. The total number and value of the projects to be completed in prescribed time are captured in the order book. Continuous project addition is essential for our Company to provide revenue visibility in future.

### **3. Complete water solutions provider**

We provide engineering solutions in the water and water waste management industry for projects for Effluent Treatment Plant, Sewage Treatment Plant and Reclamation, Industrial Wastewater Treatment and Distribution with ZLD (Zero Liquid Discharge) System, desalination and reuse and offer a range of services throughout the entire life cycle of project including conceptualization, project design, installation, construction and O&M support. We cater to both industrial clients and municipal corporations. We execute projects on a turnkey basis or an item rate basis; however, our principal expertise is technology and we sub-contract the civil works. We believe that we are able to attract more clients because of our ability to provide services over the entire life-cycle of a project.

### **4. In-house expertise in designing and engineering of water management infrastructure projects**

Our in-house design and engineering team focusses on design capabilities for geographical complexities and critical aspects of the projects such as identification of potential sites, calculations, drainage laying design, process flow diagram and water balance. Our engineering expertise and capability of the designing & implementation aspects water and water waste management projects has enabled us to deliver projects in accordance with the requirements envisaged by the principal employer of these projects. We have diverse capabilities that enable us to offer tailor-made solutions for meeting exigencies due to changes in project, design and installation.

We employ technologies such as Geographic Information System for mapping and analysing topographic data, soil testing equipment for soil investigation and GPS technology for precise location data, computer-aided software for designing economical and structurally sound foundations, Structural engineering software for designing the thickness and strength of jack wells/intake wells, MS (Mild Steel) DI (Ductile Iron), HDPE (High-Density Polyethylene) pipes for transporting water, coating and grouting techniques to protect and reinforce pipelines, welding equipment for joining pipes and other specialized equipment for laying pipes at the optimum depth all this technology and process required for pipeline installation, electro-mechanical equipment for water resource management and infrastructure projects, water treatment technology including filtration, chlorination and purification methods, monitoring and control systems for water treatment plants, comprehensive project management software for planning, scheduling, and tracking progress for infrastructure

projects, by outsourcing the aforesaid activities to sub-contractors who have the specific expertise in the aforesaid areas. We believe that our capabilities with respect to designing and supervising the projects we undertake in a segment which can significantly contribute towards the water conservation and consumption needs of the catchment needs sustainability and good practice.

#### **5. Lower investments and capital expenditure in our projects due to our outsourcing model**

We usually outsource the civil works and erection works for our projects to third party contractors. This benefits our returns on investments in each project as our fixed assets costs are low. Where the civil works and erection works were outsourced. We utilise this outsourcing model as it allows scalability and allows us to focus on engineering, design and technology to provide quality water & waste water engineering solutions. We have been using this model since 2012 and we believe that this has been a key factor in the efficient execution of our projects. We have experienced and capable site management teams who oversee the civil and erection work being undertaken by third party contractors and execute all aspects of our projects.

We undertake appropriate quality checks and controls throughout the process to ensure timely and appropriate completion of our projects. This model allows us to expand in different cities and states at a faster pace and without excessive capital expenditure. Our outsourcing model enables us to leverage the expertise of service providers in the jurisdiction where the project is located, thus increasing efficiency and reducing our costs for the project.

#### **6. Experienced Promoter and management team**

Our company is promoted by Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal, who collectively possess more than two decades of experience in the water and wastewater treatment industry and have been instrumental in driving our growth since the inception of our business. Our senior management team is well qualified and experienced in the execution of water and wastewater treatment and sewage treatment projects and has been responsible for the growth of our business. Our promoters are supported by our management team's collective experience and capabilities, which enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships, and respond to changes in customer preferences. We believe that the knowledge and experience of our promoters, along with the team of skilled personnel, provide us with a significant competitive advantage as we seek to expand geographically in existing markets and new markets.

For details on the qualifications and experience of our Promoters and senior management team, please refer to section titled "Our Management" beginning on page 150 of this Draft Red Herring Prospectus.

#### **7. Use of advanced technologies**

We recognize that each project presents unique challenges, necessitating a tailored approach to solution formulation. Equipped with experienced process designers and a robust Design and Execution team, we leverage our engineering expertise advantageously to deliver technologically advanced environmental projects across India. The inherent uniqueness of each project renders the design and engineering process technically complex, time-consuming, and resource-intensive due to specific project requirements. We continually enhance our technical capabilities to provide our clients with a comprehensive range of services at a reduced cost, all while maintaining uncompromising quality. For instance, we employ advanced technologies to meet stringent norms, optimize space utilization, and fully automate systems. Additionally, in existing or partially built systems, we maximize the utilization of the existing infrastructure by undertaking significant civil works. Through the provision of cost-effective and viable solutions, we upgrade plans while simultaneously ensuring compliance with effluent norms.

Over the years we have deployed several tertiary treatment technologies such as dual media filters, activated carbon filters, rapid sand gravity filters, chlorination, UV treatment etc. We also providing Suspended Filters, Ultra-Filtration and Reverse Osmosis in our ongoing projects. The treatment process at most of the projects installed by us are ZLD compliant and the treated water can be used for horticulture, washing, refrigeration or other process industries.

#### **8. Brand Acceptance for Equipments & Services**

Over the years, our company has made efforts to designing and developing various equipment in-house, which are utilized in every project. This equipment includes Pressure Filters and Activated Carbon Filters (up to 500 Kl/hr), DM Plants, Clarifiers, Clariflocculators, Thickeners, HRSCC, Ultrafiltration and RO systems, Lime Slakers, etc. This equipment have gained recognition as Approved/Acceptable makes by leading consultants and are widely used in both public and private sectors. This has established a parallel business segment for the company, providing a significant advantage in reducing project costs. Additionally, it enhances advantages in project cost reductions.

## OUR STRATEGIES

### a) Continue to enhance our core strengths by attracting, retaining and training qualified personnel

We believe that our ability to effectively execute and manage projects is crucial to our continued success as a water and wastewater treatment player. We understand that maintaining quality, minimising costs and ensuring timely completion of our projects depends largely on the skill and workmanship of our employees. We seek to improve competitiveness by increasing our focus on training our staff. We offer our engineering and technical personnel a wide range of work experience and learning opportunities by providing them with continuous training in latest systems, techniques and knowledge upgradation.

### b) Strengthen our presence in high growth emerging markets

Our company has successfully completed more than 45 water management infrastructure projects as of March 31, 2024. Our company operates within the domestic market across eight states and a Special Economic Zone. We aim to expand our business operations to other regions of India as well as in international markets. We plan to leverage our market position, our brand name and execution capabilities to attract new clients and obtain new projects. We plan to expand in newer markets and aim to deliver quality in a cost-efficient manner.

### c) Increasing the size of projects and our pre-qualification.

Our primary focus is to strengthen our prospects in executing ETPs and STPs projects. We have started with 3 MLD size of project & increased our capacity to 135 MLD. We intend to continue to focus on the designing, construction, operation and maintenance of Projects while seeking opportunities to further increase the size of our projects. We intend to bid for ETP, STP and WTP on EPC basis. Execution of high-capacity projects has lesser competition, better margins, economies of scale and better utilization of sources. We intend to capitalize on our experience and project execution expertise and continue to pursue larger Projects, both independently and in partnership with other players in the industry. Increase in the size of projects will also lead to our Company becoming pre-qualified for projects of higher MLD. Large sized projects will require requisite higher level of competencies in designing and execution of such projects.

### d) Expand relationships with our existing customers

We believe that maintaining good relationships with customers is a critical factor in our business to keep growing. Through regular interaction with our clients and understanding the client requirements we emphasise in maintaining relationships even after a project is completed and continue to support our clients on process-related issues and equipment breakdown problems amongst others. We will continue to focus on timely and accurate delivery of quality services which will help in forging strong relationships with our customers and gaining increased business from them. We believe this facilitates repeat orders by our clients.

The state wise revenue generated in last three financial years and period ended December 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Particulars	For the period / year ended							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Value	In %	Value	In %	Value	In %	Value	In %
<b>India (Domestic)</b>								
Andhra Pradesh	361.30	5.47	1,408.22	13.26	123.44	1.23	165.42	3.03
Chhattisgarh	25.15	0.38	491.60	4.63	508.31	5.08	2,866.26	52.52
Gujarat	712.89	10.79	3,332.59	31.38	3425.75	34.23	612.02	11.21
Madhya Pradesh	---	---	3.96	0.04	3.54	0.04	297.95	0.05
Maharashtra	1,749.20	26.49	1,970.21	18.55	1822.92	18.22	1,641.24	30.07
Odisha	1,128.11	17.08	3,385.75	31.88	3602.93	36.00	154.07	2.82
West Bengal	2,627.33	39.78	27.69	0.26	520.17	5.20	---	---
Rajasthan	---	---	---	---	---	---	15.32	0.28
<b>Exports</b>								
Special Economic Zone	2,406.04	26.70	49.35	0.43	---	---	---	---
Tanzania	---	---	840.21	7.30	429.62	4.12	---	---
<b>Total</b>	<b>9,010.02</b>	<b>100.00</b>	<b>11,509.57</b>	<b>100.00</b>	<b>10,436.68</b>	<b>100.00</b>	<b>5,457.31</b>	<b>100.00</b>

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated March 06, 2024.

## Domestic Presence:



## **REVENUE BIFURCATION**

Following is the revenue bifurcation split Between Public Sector Undertakings, Government Institution and Private Sector as on December 31, 2023 and for the year ended March 2023, 2022 and 2021.

(₹ in Lakhs, otherwise mentioned)

Types of Clients	Sales Distribution							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Government Institutions	326.79	3.63	1,067.99	9.28	---	---	---	---
Public Sector Undertakings	3,770.54	41.85	6,563.23	57.02	9,590.31	91.89	4,073.82	74.65
Private Sector	4,912.69	54.52	3,878.35	33.70	846.37	8.11	1,383.49	25.35
<b>Total</b>	<b>9,010.02</b>	<b>100.00</b>	<b>11,509.57</b>	<b>100.00</b>	<b>10,436.67</b>	<b>100.00</b>	<b>5457.31</b>	<b>100.00</b>

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## **OUR ONGOING PROJECTS**

*Details regarding all the ongoing projects of our company as on March 31, 2024:*

(₹ in Lakhs)

Sr. No.	Name of Entity	Description of Project	Type of Project and Location	Technology	Date of Award	Estimated date of completion of Project
1.	Indian Oil Corporation Ltd.	a) Modernization of ETP-I with capacity	At Haldia, West Bengal	Biological System Upgradation	August 01, 2023	March, 2025

Sr. No.	Name of Entity	Description of Project	Type of Project and Location	Technology	Date of Award	Estimated date of completion of Project
		<p>augmentation from 650 m<sup>3</sup>/hr. to 850 m<sup>3</sup>/hr.</p> <p>b) Installation of VOC Recovery System for ETP-I</p> <p>c) Installation of Bio-remediation reactor at ETP-I</p>		with Recovery of VOC		
2.	Kutch Copper Limited (Adani)	Effluent Treatment Plant (including WAT + LMS + RO + ZLD) Package	Effluent Treatment Plant at Kutch, Gujarat	Physio-Chemical with ZLD	January 11, 2023	September, 2024
3.	SAIL Durgapur Steel Plant Capex	Complete Waste Water Treatment	Waste Water Treatment Plant, at West Bengal, Durgapur	Waste Water Recycling with ZLD	April 17, 2023	July, 2024
4.	GWSSB Morbi/Wankaner	Design, Supply, Construction, Installation, Testing and Commissioning of Sewage Treatment Plant (5.80 MLD) with operation & Maintenance of entire system for 7 Years	Sewage Treatment Plant, at Wankaner, District: Morbi, Gujarat	Biological Treatment using Activated Sludge Process with extended aeration and nutrient removal	May 31, 2021	April, 2030 (Operation & Maintenance)
5.	Bharat Petroleum Corporation Ltd.	Supply, Erection, Testing, Commissioning and Operation and Maintenance of ETP-ZLD & CRWS Package for 2G Bio-Ethanol Refinery Project	Effluent Treatment Plant at Bargarh, Odisha	Zero Liquid Discharge (ZLD)	May 04, 2022	August, 2024
6.	GWSSB Vyara/Songadh	Design, supply, construction, installation, testing and commissioning of 4.5 MLD Sewerage Treatment Plant with O&M for 7 years	Sewerage Treatment Plant, Songadh, Gujarat	Biological Treatment using Activated Sludge Process with extended aeration and nutrient removal	June 06, 2021	April, 2030 (Operation & Maintenance)
7.	Steel Authority of India Ltd (SAIL)	Operation & Maintenance of Effluent treatment plant (BOD) of CCD	O&M of ETP, at Rourkela Orissa	-----	August 19, 2023	August, 2024
8.	Tata Steel Mining Ltd.	CETP at Twin Mines	CETP at Jamshedpur	Physio Chemical	July 18, 2022	July, 2024

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## SIGNIFICANT PROJECTS

*Details of significant projects completed by of our company till date:*

(₹ in Lakhs)

Sr. No.	Name of Entity	Description of Project	Type of Project and Location	Date of Award	Date of Completion of Project	Value of Project
1.	GIDC Ltd.	Development of Primary Treatment (FETP) and Infrastructure Facilities at Jhagadia Pumping Station, Gujarat (Bidding Document No. JH35)	FETP, Gujarat	December 15, 2020	June, 2023	₹ 5,001.38
2.	Bhilai Steel Plant	Treatment & Recycling of Wastewater of Outlet-C	ETP, at Bhilai, Chhattisgarh	May 11, 2019	December 2020	₹ 4,475.99
3.	Rourkela Steel Plant	Upgradation of Effluent Treatment Plant of CO & CCD	Effluent Treatment Plant, at Rourkela Odisha	January 11, 2021	April, 2023	₹ 3,994.61
4.	Odisha Mining Corporation	Effluent Treatment Plants – 2 Nos.	Effluent Treatment Plant, at Jaipur Odisha	November 21, 2015	October, 2017	₹ 3,993.00
5.	TATA Steel Ltd.	Upgrading Effluent Treatment Plant	Effluent Treatment Plant, at Sukinda, Orissa	January 22, 2014	March, 2015	₹ 2,623.52
6.	Rashtriya Ispat Nigam Limited	<ul style="list-style-type: none"> <li>• Design, Engineering, Manufacture and Supply of Plant, Machinery &amp; Equipment including commissioning spares.</li> <li>• Storage, handling, Erection, Commissioning and P.G. Tests of Plant &amp; Equipment including Supervision of all Site services &amp; Insurance</li> <li>• Associated Civil and Structural works</li> </ul>	Sewage Treatment Plant, Visakhapatnam, Andhra Pradesh	October 31, 2017	December, 2018	₹ 2,387.73
7.	Oil and Natural Gas Corporation Limited	Design, Detail Engineering, Supply, Installation, Testing & Commissioning of Water Treatment Plant for Blow down Water of Cooling Towers	Water Treatment Plant at ONGC, Hazira Plant	January 29, 2021	October, 2023	₹ 1,385.27
8.	AFCONS Infrastructure Limited	Design, Engineering, Manufacture, Supply and Transportation of the Electro-Mechanical Components of Chalinze Water Treatment Plant	Water Treatment Plant (WTP), Tanzania	March 16, 2021	July, 2023	₹ 1,277.60

Sr. No.	Name of Entity	Description of Project	Type of Project and Location	Date of Award	Date of Completion of Project	Value of Project
9.	Neelachal ISPAT Nigam Limited	SLUDGE DWTRNG PLMR DSNG PUMPS	SLUDGE DWTRNG PLMR DSNG PUMPS, at Jaipur, Orissa	August 01, 2023	September, 2023	₹ 1,185.90

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## OUR SERVICES

### A. Effluent Treatment Plant (ETP)

Effluent Treatment Plants (ETPs) are vital facilities designed to treat industrial wastewater before its discharge into the environment. They employ a range of physical, chemical, and biological processes to remove contaminants such as organic matter, heavy metals, and toxic substances from the wastewater. Physical methods like screening and sedimentation remove larger particles, while chemical treatments such as coagulation and flocculation precipitate dissolved pollutants. Biological processes utilize microorganisms to break down organic matter and remove nutrients. ETPs ensure compliance with environmental regulations by monitoring effluent quality and verifying that treated water meets permissible limits. Moreover, they protect public health by disinfecting wastewater to eliminate pathogens and harmful chemicals. By preventing pollution of water bodies, soil, and air, ETPs preserve ecosystems and biodiversity. Additionally, some ETPs incorporate technologies for resource recovery, promoting sustainability by extracting valuable resources from wastewater.

Our company has successfully delivered over 20 effluent treatment and recycling projects to industries in India and overseas, addressing a wide spectrum of waste streams from simple to complex. Our achievements stem from a profound understanding of waste chemistry coupled with our in-house expertise in conducting studies to identify and implement the most effective combination of unit operations. These operations include flocculation, electrocoagulation, flotation, biodegradation, adsorption, as well as various filtration techniques such as macro, micro, ultra, and nanofiltration, along with reverse osmosis.



**Chromite Mine Effluent Treatment Plant**



*Acid dyke area with safety Arrangements*

## **B. Sewage Treatment and Reclamation**

Sewage treatment plants, also known as wastewater treatment plants, are facilities designed to treat wastewater generated from residential, commercial, and industrial sources. The primary goal of sewage treatment plants is to remove contaminants and pollutants from the wastewater before it is released back into the environment, typically into rivers, lakes, or oceans.

Our company design and implement sewage treatment plants that stringent discharge regulations and also capitalize on sewage as a valuable resource. We assist our clients in producing reusable water at the conclusion of the treatment process, alongside implementing efficient sludge management and energy production solutions.

EIRL has approach is two-fold: first, we ensure our treatment plants meet regulatory standards, guaranteeing environmental compliance. Secondly, we focus on maximizing the potential of sewage as a resource. This involves various strategies, such as extracting biogas from organic matter in sewage for energy production, recovering valuable nutrients like phosphorus and nitrogen for reuse, and treating wastewater to produce clean, reusable water for non-potable applications like irrigation or industrial use. Efficient management of sludge is also a key aspect of our services. Through methods such as anaerobic digestion, we reduce sludge volume while simultaneously generating biogas. Additionally, advanced technologies for dewatering and drying streamline sludge management processes, ensuring responsible handling of treatment byproducts. By offering comprehensive solutions for both water treatment and resource recovery, our company contributes to sustainability efforts and helps clients minimize their environmental impact while potentially realizing long-term cost savings.

We offer a wide range of technologies beyond conventional methods like MBBR (Moving Bed Biofilm Reactor) and ASP (Activated Sludge Process) to provide complete wastewater solutions for recycling, reuse, and ZLD (Zero Liquid Discharge). Depending on the quantity of sewage and the type of sewerage system, we offer a combination of optimal unit operations for the treatment of sewage, ensuring safe disposal, horticultural use, or industrial applications. These unit operations may include Coarse Screens, Fine Screens, Grit Separators, Oil and Grease Separators, Pumping Stations, Anaerobic Digesters, Aerobic Bioreactors, Clarifiers, Disinfection, Polishing Treatment (Tertiary Treatment), and Advanced Treatment (Ultrafiltration & Reverse Osmosis).



**Overview of Sewage Treatment Plant**



**Aeration Basin**



**Sewage Collection Tank & Cascade Aerator**



**Clarifiers**

### C. Water Treatment and Distribution

Our company is a provider of comprehensive water treatment solutions, employing technologies to deliver potable water. Our approach to designing water treatment facilities is tailored to the specific characteristics of the water source be it groundwater or surface water and the unique qualities of the raw water. Our company offers a full spectrum of services, encompassing the development of new water treatment plants and the modernization of existing facilities. Whether it's pioneering new infrastructure or enhancing current systems, Effwa is dedicated to providing reliable solutions for water treatment and distribution systems, catering to the evolving needs of communities and industries alike.

Our Company provides complete water treatment solutions with the latest technologies to produce high quality potable water. The design of the waterworks depends on the type of water source (ground water / surface water) and raw water quality. The properties of the raw water are as diverse as the geological conditions of various regions. Effwa's Water Treatment Plants and Distribution Systems ensure constant availability of safe drinking water in adequate quantities, regardless of the characteristics of raw water. Our key expertise covers conceptualization to commissioning of new waterworks as well as revamping of existing facilities.

Water clarification systems involve the dosing of suitable chemicals for pH correction, coagulation, and flocculation in flash mixers and flocculation zones prior to clarification in the water treatment plant. These systems achieve removal of suspended solids and colloidal particles, resulting in significantly reduced turbidity in the supernatant.

Based on the characteristics of raw water and other project-specific requirements, EIRL provides a wide range of clarification systems, including the following:

- Clarifiers
- Clariflocculator
- High-Rate Solid Contact Clarifiers (HRSCC) / Reactor Clarifiers
- Tube Settlers
- Lamella Clarifiers or Plate Settlers

Each of these systems is tailored to meet the specific needs of different water treatment projects, ensuring removal of suspended solids and colloidal particles to achieve the desired level of water clarity.



**Intake Pump House Water Treatment plant**

**Media Filtration systems:** Our Company offers media filtration systems designed to enhance water quality by effectively removing suspended particles, colour, and odour. Our filtration solutions utilize a combination of surface and depth

filtration techniques to ensure superior performance. Equipped with automatic and controlled backwashing cycles, our systems maintain optimal filtration efficiency by monitoring pressure drop across the media. Media Filtration systems are engineered to deliver reliable performance and meet the stringent demands of diverse applications. Whether you require treatment for drinking water, wastewater, or industrial processes, our filtration solutions provide unmatched quality and efficiency, our high-quality filtration solutions include:

- Rapid Gravity Sand Filters (RGSF)
- Pressure Sand Filters (PSF) / Dual Media Filters / Multimedia Filters
- Activated Carbon Filters (ACF)

For industrial water treatment applications, where higher degree of treatment is desired, our company offer membrane filtration systems and ion exchange systems.

**Membrane filtration systems:** The membrane filtration process selectively employs membranes having suitable pore size for physical separation of suspended, colloidal, dissolved and microbial impurities from the water, thereby yielding high quality output. We design the upstream treatment process to ensure protection of the membranes from fouling and damage, thereby maximizing the membrane life. Our company offers the following membrane-based treatment systems with low footprint, high recovery, and minimum consumption of electricity and chemicals:

- Microfiltration (MF) system
- Ultrafiltration (UF) system
- Nanofiltration (NF) system
- Reverse Osmosis (RO) system

**EIRL Ion- exchange systems for tackling dissolved solids:** In our ion exchange treatment systems, we utilize various combinations of weak base or strong base cationic resins and weak acid or strong acid anionic resins to treat water for the removal of total dissolved solids (TDS). Here, the TDS is removed through an ion exchange process whereby ions are selectively exchanged across the resins. Upon exhaustion of the resin beds, they are regenerated either in co-flow mode or counter-current mode, ensuring maximum regeneration efficiency and minimizing chemical waste production.

#### **D. Hazardous Waste Incineration**

Hazardous waste incineration is a process used to treat and dispose of hazardous wastes through high-temperature combustion. This method is employed when other treatment options like landfilling, recycling, or chemical treatment are not suitable or feasible.

Our company specializes in the design and execution of incineration systems for various types of hazardous waste. Depending on the wastes characteristics, form (liquid, solid, gaseous, semi-solid, or sludge), and quantity, we select and engineer the most suitable waste feeding system, combustion chambers, and flue gas cleaning system on a turnkey basis. Our aim is to deliver incineration plants that are easy to operate. Often, waste heat recovery from flue gases becomes an attractive option for enhancing efficiency and sustainability. This recovered heat can be used to preheat combustion air for fuel economy, generate hot water for boiler feed or steam generation, or heat thermic fluid. By incorporating waste heat recovery systems, we not only improve energy efficiency but also reduce operating costs.

Our solutions are designed to meet stringent environmental regulations governing hazardous waste disposal. Flue gas cleaning systems ensure that emissions meet acceptable standards, minimizing environmental impact. In addition to providing efficient waste disposal, we prioritize ease of operation. Our systems are equipped with user-friendly interfaces, and we offer comprehensive training for operators. We also provide ongoing support and maintenance services to ensure smooth operation. Overall, our company offers comprehensive turnkey solutions for the safe and efficient disposal of hazardous waste through incineration, while maximizing energy recovery and environmental sustainability.

**Waste preparation & feeding systems:** Waste preparation and feeding system selection, as well as the design of the feeding system, play crucial roles in the overall performance of incineration systems. Some distillation residues take solid forms at ambient temperatures but can be liquefied at elevated temperatures and atomized. Our Company offers a complete system comprising a container with steam heating and a heating and pumping unit (HPU). Solid wastes or semi-solids are loosely contained in waste PE/cotton bags or cartons for manual or mechanized feeding. Vent gases from reactors,

depending on the Lower Explosive Limit (LEL) and Upper Explosive Limit (UEL), are evacuated and fed to combustion chambers through steam educators or root blowers.

**Combustion Chambers:** Our Company provides a range of primary combustion chambers (PCC) for incineration systems, each tailored to handle varying quantities, characteristics, and forms of waste. These chambers are categorized based on their hearth and orientation. Among the options available, customers can choose from static hearth chambers, trolley systems (mono or twin), and rotary chambers. Static hearth chambers offer a stable platform for incinerating different types of waste. Trolley systems allow for the convenient loading of waste onto moving trolleys, with options for both single and twin configurations to suit different volumes of waste. Rotary chambers feature rotating drums or cylinders, ensuring efficient mixing and combustion of waste materials.

EIRL offers secondary or post-combustion chambers (SCC), typically static and preferably horizontal, to ensure thorough waste treatment. However, vertical SCCs may be provided in cases where layout constraints demand alternative configurations. This diverse range of chambers allows Effwa to accommodate various waste management needs effectively.

**Flue Gas Cleaning:** While optimal selection of Time, Temperature and Turbulence (3 Ts) governs high combustion efficiency of incineration systems, the flue gases still require cleaning by Venturi scrubber followed by Packed Bed Scrubber. The pyrolytic combustion in PCC followed by post combustion of volatiles in SCC is the best option for reducing the efforts on flue gases cleaning.



**Secondary Combustion Chamber**



**Mobile Incinerator**

**SERVICE WISE REVENUE\***

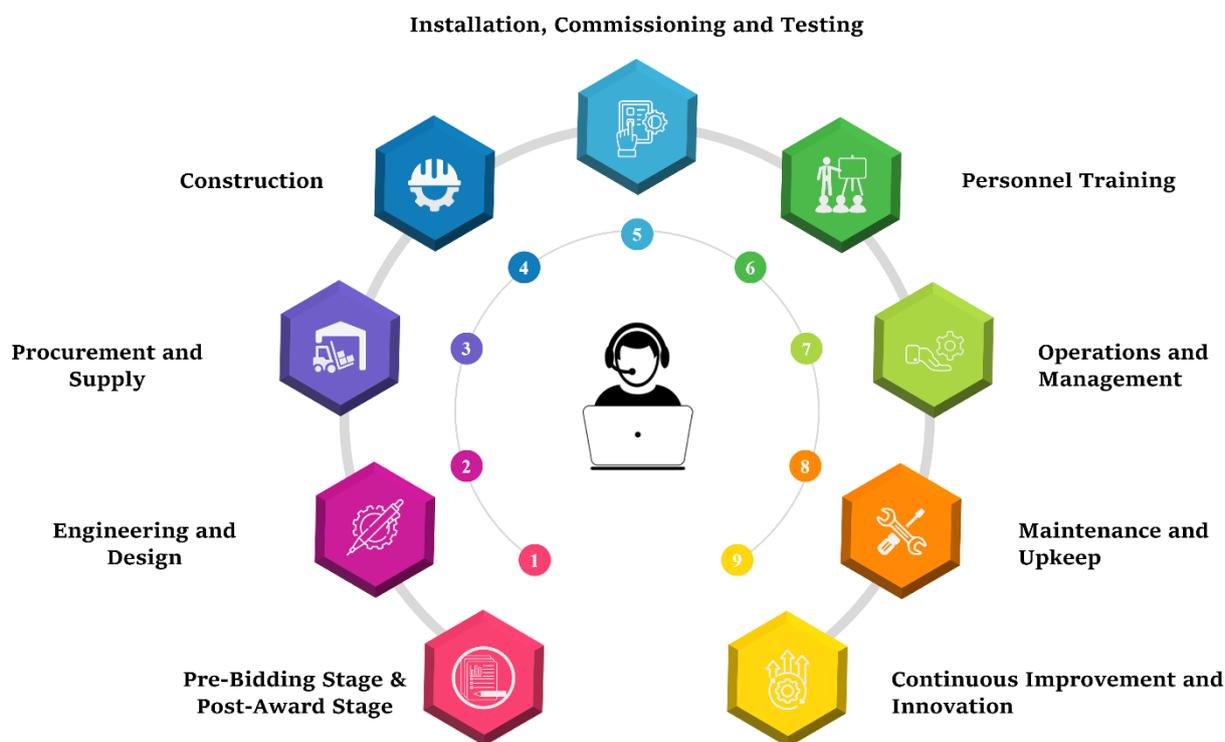
(₹ in Lakhs, otherwise mentioned)

Particular		For the period / year ended							
		December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
Sr No.	Services	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
1	Effluent Treatment Plant	1824.37	20.25	5,166.25	44.89	5,235.57	50.17	2,261.61	41.44
2	Effluent Treatment Plant with Recycling	2627.33	29.16	312.21	2.71	3,550.54	34.02	---	---
3	Effluent Treatment Plant with Zero Liquid Discharge System	2552.28	28.33	1,649.46	14.33	284.54	2.73	813.72	14.91
4	Sewage Treatment Plant	2005.82	22.26	3,890.05	33.80	1,225.42	11.74	329.44	6.04
5	Waste Water Recycling Plant	0.22	0.00	491.60	4.27	140.61	1.35	2,052.54	37.61
6	Hazardous Waste Incineration	----	----	----	----	----	----	----	----
	<b>Total</b>	<b>9,010.02</b>	<b>100.00</b>	<b>11,509.57</b>	<b>100.00</b>	<b>10,436.67</b>	<b>100.00</b>	<b>5,457.31</b>	<b>100.00</b>

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 09, 2024.

**OUR BUSINESS PROCESS FLOW**

We are primarily a turnkey contractor for water and wastewater treatment plants, which contribute for a majority of our revenues. We execute effluent treatment plant, sewage treatment plant and reclamation, industrial wastewater treatment and distribution projects on a turnkey and item rate basis but our principal expertise is technology and we sub-contract civil works.



#### (1) **Pre-Bidding Stage:**

**EPC Tender:** EPC stands for Engineering, Procurement and Construction and is a prominent form of contracting agreement in the engineering contracting industry. The engineering and construction contractor carries out the detailed engineering design of the project, construction of different water retaining structures and buildings, procuring and supplying all the equipment and materials, installation, testing and commissioning of the project and O&M works. Entities that deliver EPC Projects are commonly referred to as EPC Contractors. The price of an EPC contract normally does not change, except where there is a change in scope.

Most of our EPC contracts are design and build contracts which provide for a single price for the total amount of work, subject to variations pursuant to changes in the client’s project requirements. In design and build contracts, the client supplies conceptual information pertaining to the project and sets-out the project requirements and specifications. We are required to (i) design the proposed structure, (ii) estimate the quantities of various items that would be needed to complete the project based on the designs and drawings prepared by our design and engineering team, and (iii) prepare our own bill of quantities (“BOQ”) to arrive at the price to be quoted. We are responsible for the execution of all aspects of the project based on the above at our quoted price.

*EPC contracts executed under the above business models fall into the following two categories:*

- **Lumpsum turnkey contracts:** In this type of contract, the project is implemented for a fixed fee, irrespective of the changes in the bills of quantity (“BOQ”). Some of our EPC contracts provide a price adjustment formula for escalation if the prices of raw materials, equipment, labour and other inputs increase/decrease.
- **Item Rate Contracts:** In this type of contract, the bidding is on price per unit of each of the BOQ items. Therefore, whenever there are changes in BOQ, the contractor is paid based on the unit rate quoted.

We enter into contracts primarily through a competitive bidding process. Public Sector Undertakings (PSUs), Government authorities/bodies and other Private Organization advertise potential projects on their websites and in national newspapers. Accordingly, our tender department does a regular review of national newspapers and relevant websites to identify projects that could be potentially viable for us. After such projects are identified, the tender department seeks approval of the management to determine if the identified projects should be pursued. These discussions are based on various factors which include the geographic location of the project and the degree of complexity in executing the project in such location, our current and projected workload, the likelihood of additional work, the project cost and profitability estimates and our competitive advantage relative to other likely bidders. Thereafter, we submit bids for the projects that have been identified.

In order to submit a financial bid, our Company conducts an in-depth study of the proposed project, which inter alia includes:

- Selection of the project based on eligibility criteria and requirement of funds for the project;
- Thorough study of the tender documents;
- Site visit;
- Preparation of queries encountered, either to clarify our understanding, and to correct the details in tender documents, which aid in the better understanding of the documents;
- Attending the pre-bid meeting as per time and schedule fixed in the tender documents;
- Preparation of preliminary designs and drawings for the project;
- Working out the costs of different units;
- Seeking quotations of various mechanical, electrical and instrumentation and automation equipment vendors;
- And clubbing of entire costs to submit a competitive bid for the project.

In selecting contractors for major projects, Public Sector Undertakings (PSUs), Government authorities/bodies generally limit the opening of technical bids only to the potential bidders who pre-qualify the technical and financial requirements of the bid document. However, price competitiveness still is a significant selection criterion. After we pre-qualify for a technical bid, the financial bids are opened.

Upon successful bidding and subsequent award of any project, the contracting party is obligated to furnish performance security. Typically, this security is provided in the form of bank guarantees or retention funds, amounting to approximately 5% to 10% of the total contract value. This serves as assurance to the client that the contractor will fulfil all contractual obligations satisfactorily. During the execution phase of the project, it is incumbent upon the contractor to secure insurance coverage for works, materials, and plants involved in the project. This insurance mitigates risks associated with potential damages, losses, or liabilities incurred during the construction process. Post-completion and commissioning, the contractor assumes responsibility for rectifying any construction defects that may emerge within a designated defect liability period. This period, commonly lasting between 12 to 36 months following project completion, serves as a timeframe for addressing and remedying any shortcomings.

## **(2) Post-Award Stage:**

After securing project bids, our company initiates project execution by submitting designs for approval in EPC projects or planning materials, equipment, and manpower for construction contracts. Procurement follows, sourcing necessary resources internally and externally. Mobilization efforts then commence, setting up site facilities and resources. Detailed construction schedules are created for effective project management, with direct oversight from senior management. Regular joint surveys with government representatives ensure project progress aligns with expectations. Invoicing occurs based on completed milestones, with meticulous attention to certifications for payment release, including bills from vendors and subcontractors, managed by the billing department.

Our team handles the procurement of major raw materials and engineering requirements like cement, steel, construction chemicals, pumps, blowers, diffusers, screens, chlorination/ UV, sludge dewatering equipment, chemicals for water/sewage/effluent treatment and such other materials. Our procurement is centrally handled from our registered office and we have procurement managers who understand and oversee the local material requirement and report the same, thereby ensuring a personalized understanding of material requirement on a project-to-project basis. We procure these materials from local vendors available at different project sites.

## **(3) Engineering and Design**

We have an in-house team for designing and engineering for the projects we undertake. Government authority/bodies typically provide the scope of the project and specifications, based on which, we are required to provide structural/architectural designs and detailed project plans, for the approval of clients, along with the particular design options, BOQ (Bill of Quantity) for all possible design options is prepared. The General Arrangement Drawing (GAD) and the BOQ is submitted to the tender department for further work. Post award of the contract, the design and engineering team further prepares the multi-dimensional and structural drawings along with detailed design calculations for submission

to the clients. Post approval, the design and engineering team educates the execution team on the drawings and various calculations. Prototypes are at times prepared for final approval and also to ensure the smooth functioning of the proposed designs of a particular project.

#### **(4) Procurement and supply**

Supply involves procurement of equipment, instruments and materials required for the construction and eventual operation of a treatment plant and ensuring that the same is made available at the site. Our internal team designs the equipment needed for construction and provides the layout to pre-selected manufacturers. Emphasis is placed on ensuring timely delivery and that all Equipments assembled by our suppliers conform to the highest technological and safety standards. To facilitate this, the equipment fabricated by suppliers is inspected for quality control and quality assurance by an internal team before the material is supplied to the end user. We have vendor networks across the geographies where we are present based on which procurement database has been created and is used for procurement. We leverage this network of vendors and suppliers to improve profitability.

#### **(5) Construction**

The principal activity in this segment involves construction designing, which is carried out by a specialized civil engineering team. We outsource construction to civil contractors. As construction progresses, the equipment reach the project site and we install the same and commission it. At every stage, the client certifies the work completed in terms of structure or the erection and commissioning of the equipment. The overall plant commissioning work is taken after the plant is mechanically completed. We are required to provide a performance bank guarantee for about an average of 5% of the entire project life cycle.

#### **(6) Installation, Commissioning and Testing**

The mechanical, electrical, civil, and piping erection works are subcontracted to specialized contractors and conducted under our supervision. Commissioning is the final stage of the EPC process, which involves a step-by-step procedure encompassing examination of equipment procured and their integration into a fully functioning system which is connected to the raw water/ wastewater input on one end and the wastewater/ treated water output mains at the other. The overriding objective is to ensure that all specifications and guarantees relating to output are met. Conduct commissioning tests and performance trials to ensure the proper functioning and efficiency of the ETP. Fine-tune process parameters and optimize treatment processes for maximum effectiveness.

#### **(7) Personnel Training**

We provide comprehensive training to the client's personnel, equipping them with the necessary knowledge and skills to understand, manage, and operate the ETP effectively. Our training sessions cover equipment operation, maintenance tasks, safety protocols, and emergency response procedures, ensuring smooth plant functionality post-commissioning.

#### **(8) Operations and Management**

We leverage our expertise, experience, process, technology and system in the EPC segment by offering high-value services following the successful construction and commissioning of a plant. With complete appreciation of the design, supply, commissioning and operational aspects of water treatment projects, we assess the O&M needs of both new and existing clients and formulate and offer comprehensive customer specific packages.

#### **(9) Maintenance and Upkeep**

Implement a preventive maintenance program to regularly inspect, service, and repair ETP components and equipment. Ensure timely replacement of consumables and spare parts to prevent downtime and maintain treatment efficiency.

#### **(10) Continuous Improvement and Innovation:**

Stay updated on advancements in effluent treatment technologies, regulatory requirements, and industry best practices. Implement continuous improvement initiatives to enhance treatment efficiency, reduce operating costs, and minimize environmental impact.

The billing department is responsible for preparing and dispatching periodic invoices to the client. Joint measurements with the government authority/bodies officials are taken on a periodic basis and interim invoices prepared on the basis of such measurements are sent to the client for certification and release of interim payments. The billing department is also

responsible for certifying the bills prepared by our vendors and sub-contractors for particular projects and forwarding the same to our head office for further processing.

## CAPACITY AND CAPACITY UTILISATION

As we are involved in infrastructure development activities, we do not have any capacity utilisation data as such. Our activities are dependent on our project execution activities.

## RAW MATERIAL

Our principal raw materials include construction materials used at our project sites viz. steel, pipes, cements, and copper piping, electrical conduit, wire and other materials from markets on purchase order bases. Our raw materials are majorly procured in the domestic market from various suppliers and traders PAN India. We are dependent on external suppliers for certain of the materials /components. Further, we generally strive to purchase our required raw materials from same set of suppliers who provide us better credit period which also meets our quality requirements and are from approved vendor list of our client. Our experience in the industry has allowed us to create a strong relationship with these suppliers avoiding the need of entering into any long-term contract for continuous supply of raw materials ensuring uninterrupted construction activities.

We do not enter into any long-term contracts with any of the suppliers instead we prefer to purchase the materials as on need basis.

The following table illustrates the concentration of our revenues among our top Supplier:

(₹ in Lakhs, otherwise mentioned)

Particulars	Suppliers							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Top 5</b>	1,505.87	25.88	1,231.55	14.17	3,396.33	40.09	1,392.55	36.98
<b>Top 10</b>	2,282.16	37.20	1,858.76	20.32	4,253.90	48.15	2,097.32	50.63

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated April 24, 2024.

## UTILITIES

### Infrastructure Facilities

Our registered office is well equipped with Computer Systems, Printers, Plotters and Design & Engineering Softwares, Internet Connectivity, Other Communication Equipment, Security and other facilities, which are required for our business operations to function smoothly and all facilities to have comfortable working environment for staff.

At every site we have project office equipped with similar facilities as at HO for smooth site operations. Also, guest houses are hired to accommodate required site engineering & admin staff.

### Power

Our Company meets its power requirements in our office from the local electricity supplier and the same is sufficient for our day-to-day functioning. We procure electricity on temporary basis for our site office from local distribution companies. In addition to the above, we require high tension (“HT”) connection for pumping operations and low tension (“LT”) connection for staff quarters at project sites. We procure this electricity requirement from local distribution companies.

### Water

Our registered office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises, and water requirement for each of our project is fulfilled from the nearby local area and is generally arranged by the available sources near our project sites.

## CUSTOMERS, SALES AND MARKETING

We procure and enter into contracts primarily through a competitive bidding process. Our clients typically advertise for potential projects on their websites and in leading newspapers. Our Company has planning and monitoring team which reviews newspapers and official websites of various authorities and Government project tender aggregators where details

of potential projects are typically listed to identify projects that could be of interest to us. After such projects are identified, the department seeks approval of the management in order to determine if the identified projects are to be pursued.

Our Company's planning and monitoring team is responsible for applying for pre-qualifications and tenders. The planning and monitoring team evaluates the credentials of our Company vis-à-vis the stipulated eligibility criteria. We endeavour to qualify on our own for projects in which we propose to bid.

A notice inviting bids may either involve pre-qualification, or short-listing of contractors, or a post-qualification process. In a pre-qualification or short-listing process, the client stipulates technical and financial eligibility criteria to be met by the potential applicants. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit and loss history), employee information, plant and equipment owned, portfolio of executed and ongoing projects and details in respect of litigations and arbitrations in which we are involved. In selecting contractors for major projects, clients generally limit the issue of tender to contractors they have pre-qualified based on several criteria, including experience, technical ability and performance, reputation for quality, safety record, financial strength, bonding capacity and size of previous contracts in similar projects, although the price competitiveness of the bid is usually a significant selection criterion.

We typically undertake work in states which have favorable climatic and geographic conditions and where we can deliver services without experiencing significant delays and interruptions on account of adverse climatic conditions or regulatory delays.

## **COMPETITION**

We operate in a competitive industry, with almost all the projects awarded based on the past relevant experience of the bidder, financial capability and most attractive bid price. While client decisions in selecting contractors also take into account quality of service, technical expertise, past experience and performance and availability of skilled personnel, the deciding factor in awarding contracts is the price.

Most of the infrastructure companies are present majorly in various construction and infra-activities while we are focused mostly on Water Management & Irrigation projects leading us to possess regional and focused expertise. We face competition from other companies operating in the same geographies as ours with presence in Water Management projects. Our competition is based on numerous factors, more importantly, the type of project, total contract value, technical capability, complexity, location of the project and risks involved. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors. Price often is the deciding factor in most tender awards.

## **INFORMATION TECHNOLOGY**

Our company relies on a suite of IT systems tailored to our specific business needs. Our system serves as the foundation, seamlessly integrating critical functions such as materials management, inventory control, procurement planning, quality assurance, plant maintenance, finance, environmental health and safety, and human resources. In product development, we utilize cutting-edge computer-aided design (CAD) and 3D tools, optimizing our design processes for accuracy and efficiency. Additionally, Microsoft Project software facilitates streamlined project management and implementation, ensuring timely delivery and resource allocation.

To manage our workforce effectively, we have implemented robust Human Resource Management Systems (HRMS), enabling us to oversee recruitment, performance evaluations, training, and talent management efficiently. Our commitment to data-driven decision-making is supported by multiple reporting systems and visual controls deployed across our various sites. These tools provide real-time insights into key performance indicators, empowering stakeholders to make informed decisions. As part of our dedication to continuous improvement, we regularly assess and enhance our IT systems and processes. We encourage employee feedback to ensure usability and effectiveness, while also staying abreast of emerging technologies and industry best practices.

## **QUALITY CONTROL**

We endeavour to ensure that we maintain stringent quality standards at all stages of our project. Our aim is to reduce cost and cycle times through effective and efficient use of resources. We have a team of engineers and professionals responsible for ensuring quality standards. In executing the projects, we monitor and test all materials for conformity, track non-conformities and make rectifications to ensure client satisfaction.

## ENVIRONMENT, HEALTH & SAFETY

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to, inter alia, the maintenance of a safe workplace and providing the necessary training to employees at our workplace. We undertake induction training, emergency preparedness and job specific training of employees & contractors, in addition to the provision of protective equipment to ensure safety of equipment and manpower. We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees at our project sites.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see “*Government and Other Statutory Approvals*” beginning on page 202 of this Draft Red Herring Prospectus.

## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

As on December 31, 2023 we had a workforce of approximately 118 including 90 qualified engineers, many of our employees have undergraduate degrees, and some have advanced degrees such as masters in science and technology. In addition to the above, we employ a number of professionals in areas like accounts and finance, human resources and information systems.

We hire key staff for supervision at our sites. In addition to its workforce, our company’s third-party contractors also employ contract labour for construction works. Our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, which require it to be registered as a principal employer of the contract labourers and imposes certain prescribed obligations with respect to their welfare and health. Our Company has applied for and/or has obtained registration as a principal employer wherever required.

Sr. No	Category	No of Employees
1.	Project Engineers	76
2.	AutoCAD Designing	10
3.	Accounts & Finance	08
4.	Administrative	06
5.	Logistics	05
6.	Procurement	03
7.	Proposals	03
8.	Human Resource	03
9.	Housekeeping Staff	02
10.	Compliance	01
11.	IT	01
<b>Total</b>		<b>118</b>

## EXPORT AND EXPORT OBLIGATIONS

As on the date, we do not have any export obligation.

## COLLABORATION

As on date of this Draft Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

## INSURANCE

Our operations are subject to various inherent risks in the EPC industry. We maintain insurance policies to protect our registered office from fire and other perils. Additionally, we avail inland cargo insurance policies to cover the inland movement of all our plant and machinery by road or rail as per requirements. Insurance policies are also in place for our

vehicles. These policies undergo periodic review to ensure adequate coverage. Furthermore, we identify potential risks in any project based on commercial evaluations and seek to insure against them. Most of the construction project contracts we enter into require us to maintain insurance during the project's term and for the defects liability period, typically ranging from 12 to 36 months after project completion. Our insurance coverage is designed to address normal risks associated with our business operations.

The insurance policies we maintain encompass various aspects, including contractor's all-risk policy, storage and erection policy, cargo policy covering transit and storage of goods, construction, erection, testing, and commissioning of the plant, as well as extended maintenance (warranty) of the same. We also hold standard fire and special perils policies, burglary policies, and workmen's compensation policies. Additionally, public liability insurance is obtained for most of our projects. We strive to maintain insurance covering our assets and operations at levels we deem appropriate and consistent with industry norms in India.

## PROPERTIES

Following Properties are owned / taken on lease / license by our company:

Sr. No.	Date of Lease and License	Lessor/ Owner	Address	Period of Lease/ Rented /Owned	Area	Monthly Ren	Purpose
1.	March 11, 2024	M/s. Aireff Detox Inc.	G. No. 7, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.	36 Months	1,230 Square Feet	₹ 2,00,000/-	Registered Office
2.	March 11, 2024	Mr. Subhash Kamal & Dr. Varsha Kamal	Unit No. 06, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.	36 Months	1,230 Square Feet	₹ 2,00,000/-	Branch Office
3.	March 11, 2024	M/s. Aireff Detox Inc.	Unit No. 107A, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.	36 Months	285 Square Feet	₹ 50,000/-	Branch Office
4.	March 11, 2024	M/s. Aireff Detox Inc.	Unit No. 126, Vardhman Industrial Complex, Lal Bahadur Shastri Marg, Gokul Nagar, Thane West, Thane – 400601, Maharashtra, India.	36 Months	755 Square Feet	₹ 1,00,000/-	Branch Office
5.	April 01, 2024	M/s. Regus City gold Business Centre Private Limited	RDB Boulevard, 8 <sup>th</sup> floor, Plot K-1, Sector V, Block EP & GP, Salt Lake City, Kolkata West – 700091, Bengal India.	12 Months	NA	₹ 3,875/-	Virtual Office
6.	March 05, 2024	M/s. Cowork Venue LLP	1 <sup>st</sup> floor, New Annex Building Arch Bishop's House, Satya Nagar, Bhubaneswar - 751007, Odisha, India.	12 Months	NA	₹ 5,900/-	Virtual Office
7.	February 21, 2024	M/s. Firstup Spaces Private Limited	Office No. 18,19,20,21, Block A, Ground floor, Gore Parisar in Block No. 15, Plot No 17/2,	11 Months	NA	₹ 24,255/-	Virtual Office

Sr. No.	Date of Lease and License	Lessor/ Owner	Address	Period of Lease/ Rented /Owned	Area	Monthly Ren	Purpose
			Civil Station Ward, Raipur - 492001, Chhattisgarh, India.				
8.	April 01, 2024	M/s. Regus City gold Business Centre Private Limited	Level – 3 & 4, Naga Chambers, D/No. 12-1-16, Plot no 49, Opposite HDFC Bank, Ram Nagar, Waltair Main Road, Visakhapatnam - 530002, Andhra Pradesh, India.	12 Months	NA	₹ 3,983.77/-	Virtual Office
9.	April 01, 2024	M/s. Regus City gold Business Centre Private Limited	Regus Earth Aries, Unit No. 1101 to 1106, 11th floor, Sarkhej Gandhinagar Highway, Makarba, Ahmedabad – 380015, Gujarat, India.	12 Months	NA	₹ 2,964/-	Virtual Office

## INTELLECTUAL PROPERTY

Trademarks / patents / copyright/registered/objected/abandoned in the name of our company:

Sr. No	Brand Name/Logo Trademark	Class	Registration /Application Number	Owner	Current Status/ Validity	Authority	Validity
1.	<b>EFFWA</b>	42	2736768	M/s. Effwa Infra & Research Private Limited by way of takeover	Registered	Trade Marks Registry, Mumbai	May 13, 2014 till May 13, 2034
2.	<b>WE ENGINEER ENVIRONMENTAL SCIENCE</b>	42	2736769	Agreement Dated. July 14, 2014	Registered		May 13, 2014 till May 13, 2034
3.		42	6381144	M/s. Effwa Infra & Research Private Limited	Formalities Check Pass		April 09, 2024

## DOMAIN:

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://www.effwa.co.in">https://www.effwa.co.in</a>	D5120542-IN	Effwa Infra and Research Private Limited	June 22, 2011	June 22, 2024

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 202 of this Draft Red Herring Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### SEBI REGULATIONS:

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from the SEBI Act, 1992, SCRA 1956, SCRR 1957 and other rules and regulations, listed entities are mainly regulated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination-based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

#### Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside

India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administrated by Central Board of Indirect Taxes and Customs under the Ministry of Finance

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case

an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

#### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **BUSINESS/TRADE RELATED LAWS/REGULATIONS**

#### **National Water Policy (2012):**

The National Water Policy has been formulated as an umbrella statement of general principles governing the exercise of legislative and/or executive (or devolved) powers by the Centre, the States and the local governing bodies. This leads the way for essential legislation on water governance in every State of the Union and devolution of necessary authority to the lower tiers of government to deal with the local water situation. The framework recognizes that water not only as a scarce resource but also as a sustainer of life and ecology. Therefore, water, particularly, groundwater, needs to be managed as a community resource held, by the state, under public trust doctrine to achieve food security, livelihood, and equitable and sustainable development for all. Existing Acts may have to be modified accordingly. This aims at laying down a comprehensive legislation for optimum development of inter State rivers and river valleys to facilitate inter-State coordination ensuring scientific planning of land and water resources taking basin/sub-basin as unit with unified perspectives of water in all its forms (including precipitation, soil moisture, ground and surface water) and ensuring holistic and balanced development of both the catchment and the command areas. Such legislation needs, inter alia, to deal with and enable establishment of basin authorities, comprising party States, with appropriate powers to plan, manage and regulate utilization of water resource in the basins.

#### **Environment (Protection) Act, 1986 as amended (“EPA”)**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

#### **Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

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

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier,

importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **The Wetlands (Conservation and Management) Rules, 2017**

The Wetlands (Conservation and Management) Rules, 2017 aims to conserve and manage wetlands, including lakes, ponds, and other water bodies. The Rule provides guidelines for the identification, protection, and restoration of wetlands across the country.

### **Orissa River Pollution Act, 1953**

This Act was formulated with the view of regulating the disposal of waste and effluents into the river by the factories and enable maintenance of the streams and water bodies. With the intention of giving this Act a practical implementation, the state of Orissa had established a board to govern the provisions of the Act above. This Act gives the board the competency to represent the inhabitants of a particular locality.

### **Damodar Valley Corporation Prevention of Water Pollution Act, 1948**

The Damodar Valley has been among the most flourished river basins which the country has witnessed since time immemorial. With the view of keeping a check on the functioning of this valley, Damodar Valley Corporation was established. The Act provide for the establishment and regulation of a corporation for the development of the Damodar Valley in the Provinces of Bihar and West Bengal with the object of promoting irrigation, water supply and drainage and with an object of maintaining the region pollution free.

### **Right To Clean Water: A Fundamental Right**

The Indian Judiciary has initiated a positive step, with the view of controlling pollution of water. Under the Indian Constitution, the judiciary has given a liberal interpretation to **Article 21** of the Constitution of India and included the right to clean water and environment under the ambit of **Article 21**, Article 48, **Article 51(g)** of the Constitution of India. Various judicial decisions throughout the history of Fundamental Rights have paved a way to the broad concept of Right to Life. The judiciary had propounded that the Right to Clean water comes under the ambit of the right to life and hence the scope of Article 21, Article 48 and Article 51(g) can include the right to clean water. In the case of **Narmada Bachao Andolan Vs. The Union of India**, the Supreme Court, held that the right to clean water is a fundamental right under Article **21** of the Indian Constitution.

### **Guidelines for Implementation of Scheme of National Projects (“NP Scheme”)**

The NP scheme has been approved by the Government of India with a view to expedite completion of identified national projects for the benefit of the people. The identified national projects will be provided financial assistance by the Government of India in form of Central grant which will be 90% of the estimated cost of such projects for their completion in time bound manner.

### **The Bureau of Indian Standards Act, 1986**

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

### **The National Building Code, 2016**

The National Building Code of India, 2016 (NBC), comprehensive building Code, is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a Model Code for adoption by all agencies involved in building construction works, Public Works Departments, other government construction departments, local bodies or private construction agencies. The Code mainly contains administrative regulations, development control rules and general building requirements, fire safety requirements, stipulations regarding materials,

structural design and construction (including safety, building and plumbing services; approach to sustainability; and asset and facility management).

## **LAWS RELATED TO ENVIRONMENTAL LAWS**

### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **National Green Tribunal (NGT) Act, 2010**

National Green Tribunal (NGT) Act, 2010 has jurisdiction over cases related to environmental protection and pollution control, including disputes or violations concerning the establishment and operation of Effluent Treatment and Recycling plants. The NGT can issue orders and directives to ensure compliance with environmental laws and regulations.

### **The Public Liability Insurance Act, 1991 (the “PLI Act”) and the Public Liability Insurance Rules, 1991(the “PLI Rules”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **Designs Act, 2000**

The Designs Act, 2000 along with the Design Rules, 2001 (“Design Laws”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **Buildings and Other Construction Workers’ Welfare Cess Act, 1996 (“BOCW Cess Act”) and the rules framed thereunder**

The BOCW Cess Act provides for the levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers’ Welfare Boards constituted under the BOCW Cess Act. A prescribed quantum of the construction cost incurred by the employer is required to be deposited by the employer as welfare cess under the BOCW Cess Act.

### **Code on Wages, 2019**

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few section of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

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

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

*\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.*

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the "ESIC Act")**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

## **OTHER GENERAL REGULATIONS**

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

### **Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated under the name “*Effwa Infra & Research Private Limited*” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated January 06, 2014, issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, the status of the Company was changed to public limited and the name of our Company was changed to “*Effwa Infra & Research Limited*” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on March 05, 2024. The fresh certificate of incorporation consequent to conversion was issued on May 02, 2024, by Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Centralised Processing Centre. The Corporate Identification Number of our Company is U90001MH2014PLC251793.

Our Company has acquired the running business of M/s. Effwa Infra & Research, a Partnership firm vide Take Over Agreement dated July 10, 2014, entered by and Between M/s. Effwa Infra & Research, partnership firm represented by Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal and M/s. Effwa Infra & Research Private Limited.

Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal were the initial subscribers to the Memorandum of Association of our Company. Dr. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal are the current promoters of the company. For further details of our promoter please refer the chapter titled “*Our Promoters and Promoter Group*” beginning on page 164 of this Draft Red Herring Prospectus.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, please refer the chapter titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages, 99, 150, 170 and 173 respectively of this Draft Red Herring Prospectus.

Our Company has 8 (Eight) shareholders as on the date of filing of this Draft Red Herring Prospectus.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

There has been no change in the Registered Office of our Company since the date of our incorporation.

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Key Events/Milestones/Achievements
2014	Incorporation of our Company as private limited company
2014	Take over the existing partnership firm M/s. Effwa Infra & Research
2016	ISO 9001:2015 in accordance with the requirements Quality Management System standard
2016	Received the India SME Excellence Award for the Year 2016
2024	Conversion of our Company from Private Limited to Public Limited Company

### MAIN OBJECTS OF OUR COMPANY

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To take over the existing partnership firm M/s. Effwa Infra & Research in all its entirety including all its assets and liabilities and, on such takeover, the firm shall stand dissolved.
2. To carry on in India or abroad the business consultancy, technology development and implementation, execution of turnkey projects on Design & Build (DB), Design- Build-Operate (DBO), BT, Build-Operate-Transfer (BOT), Design, Build, Finance, Operate & Transfer (DBFOT), build, own, operate and transfer (BOOT) basis in the field of pollution control including sewage and industrial effluent treatment and recycling, air pollution control, solid waste treatment and disposal, -ventilation systems, hazardous waste management and water treatment plants as well as to carry on the business of operation and maintenance of pollution control plants, liasoning with regulatory agencies, environmental impact assessment and trading of engineering and mechanical equipment’s along with supply of various import substitutes for pollution control and to provide end to end project management solution for the preservation of environment and nature by ensuring better practices of processing different categories of waste in the most environment friendly manner and to act as consultants and/or advisors and to promote, design, formulate schemes, planning, drawings, plans, action-plans, estimates, layouts, implement, construct, commission, operate, maintain on all kinds of

environment technology to provide advisory services related to project organization, project management, procurement of equipment's, project funding and to provide consulting and advise on organizing projects including guidelines and for registering, designing, starting, executing, implementing, supervising, drawing up specifications, negotiating and finalizing the terms of contract.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY SINCE INCORPORATION

The following changes have been made in the Memorandum of Association of our Company Since Incorporation:

Date of Meeting	Type	Nature of Amendment
July 15, 2014	EOGM	<b>Clause V of our Memorandum of Association was amended to reflect:</b>  Increase in Authorised Share Capital of the company from ₹ 50,00,000 /- divided into 50,000 Equity Shares of ₹ 100/- each to ₹ 1,00,00,000 /- divided into 1,00,000 Equity Shares of ₹ 100/- each.
March 22, 2016	EOGM	<b>Clause V of our Memorandum of Association was amended to reflect:</b>  Increase in Authorised Share Capital of the company from ₹1,00,00,000 /- divided into 1,00,000 Equity Shares of ₹100/- each to ₹3,00,00,000 /- divided into 3,00,000 Equity Shares of ₹100/- each.
January 16, 2024	EOGM	<b>Clause V of our Memorandum of Association was amended to reflect:</b>  Split/Sub Division of Shares of ₹100/- each into 10 shares of ₹10/- each.
January 16, 2024	EOGM	<b>Clause V of our Memorandum of Association was amended to reflect:</b>  Increase in Authorised Share Capital of the company from ₹3,00,00,000 /- divided into 3,00,00,000 Equity Shares of ₹10/- each to ₹25,00,00,000 /- divided into 2,50,00,000 Equity Shares of ₹10/- each.
March 05, 2024	EOGM	<b>Alteration in Name Clause:</b>  Change in the name clause from “ <i>Effwa Infra &amp; Research Private Limited</i> ” to “ <i>Effwa Infra &amp; Research Limited</i> ”

## OUR HOLDING COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any Holding Company.

## OUR SUBSIDIARY COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary Company.

## ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years except as mentioned as mentioned below:

Our Company has acquired the running business of M/s. Effwa Infra & Research, a Partnership firm vide Take Over Agreement dated July 10, 2014, entered by and Between M/s. Effwa Infra & Research, partnership firm represented by Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal and M/s. Effwa Infra & Research Private Limited.

## SIGNIFICANT FINANCIAL OR STRATEGIC PARTNERSHIPS

We do not have any financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

## SHAREHOLDERS' AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Red Herring Prospectus.

## LOCK OUTS AND STRIKES

There have been no lock outs or strikes at any of the location of our Company as on the date of this Draft Red Herring Prospectus.

#### **TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no time and cost overruns in the Company as on date of this Draft Red Herring Prospectus.

#### **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity or facility creation and the locations, please see chapter titled “*Our Business*” beginning on page 117 of this Draft Red Herring Prospectus.

#### **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE YEARS**

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Draft Red Herring Prospectus.

#### **JOINT VENTURES**

As on the date of this Draft Red Herring Prospectus, there are no joint ventures of our Company.

#### **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, DIRECTOR, PROMOTERS OR ANY OTHER EMPLOYEE**

Neither our Promoters, nor any of the Key Managerial Personnel, Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

#### **MATERIAL AGREEMENTS**

Except as disclosed above and in the chapter titled “*Our Business*” on page 117 of this Draft Red Herring Prospectus, we have not entered into any material agreement / contract as on the date of this Draft Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

As of the date of this Draft Red Herring Prospectus, our Company does not have any Strategic Partners.

#### **FINANCIAL PARTNERS**

As on the date of this Draft Red Herring Prospectus, our Company does not have any other financial partners.

#### **DETAILS OF GUARANTEES GIVEN TO THIRD PARTIES BY OUR PROMOTER SELLING SHAREHOLDERS**

For details of guarantees given by our Promoters in relation to the credit facilities availed by our Company, see ‘Financial Indebtedness’ on page 385.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Draft Red Herring Prospectus, our Company has 5 (Five) Directors on the Board, 1 (One) as Chairperson & Managing Director, 1 (One) as Whole Time Director, 3 (Three) as Non-Executive Independent Directors. There is 1 (One) Woman Director in our Board.

The details of the Directors are as mentioned in the below table:

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re appointment	Other Directorships
<p><b>Name:</b> Dr. Varsha Subhash Kamal</p> <p><b>Father's Name:</b> Vasant Dange</p> <p><b>Age:</b> 63 Years</p> <p><b>Date of Birth:</b> August 27, 1960</p> <p><b>Designation:</b> Chairperson &amp; Managing Director</p> <p><b>Address:</b> 2701, D-2 Juniper, Neelkanth Greens, Tikuji Niwadi Road, Tikuji Niwadi, Manpada Mulla Baug, Thane- 400610, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Re-designated as Chairperson and Managing Director for a period of 5 (five) years with effect from May 01, 2024.</p> <p><b>DIN:</b> 00270314</p>	<p>Appointed as Director of the Company on January 06, 2014</p> <p>Re-designated as Chairperson and Managing Director for a period of 5 (five) years with effect from May 01, 2024</p>	<ul style="list-style-type: none"> <li>• Effwa Welfare Foundation</li> </ul>
<p><b>Name:</b> Mr. Subhash Ramavtar Kamal</p> <p><b>Father's Name:</b> Mr. Ramavtar Mishra</p> <p><b>Age:</b> 60 Years</p> <p><b>Date of Birth:</b> September 17, 1963</p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> 2704, D-2 Juniper, Neelkanth Greens, Tikuji Niwadi Road, Tikuji Niwadi, Manpada Mulla Baug, Thane- 400610, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Re-designated as Whole Time Director for a period of 5 (five) years with effect from May 01, 2024</p> <p><b>DIN:</b> 00255160</p>	<p>Appointed as Director of the Company on January 06, 2014</p> <p>Re-designated as Whole Time Director for a period of 5 (five) years with effect from May 01, 2024</p>	<ul style="list-style-type: none"> <li>• Effwa Welfare Foundation</li> </ul>

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re appointment	Other Directorships
<p><b>Name:</b> Mr. Ravindra N Hanchate</p> <p><b>Father's Name:</b> Mr. Nagendra Sidram Hanchate</p> <p><b>Age:</b> 51 Years</p> <p><b>Date of Birth:</b> April 09, 1972</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> FL 904, A Wing 41, Ester A41/34 to 41/48, Nr Sawatamali Mandir, Punawale, Pune Jambe- 411033, Maharashtra, India.</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director with effect from February 19, 2024 for a period of 5 years</p> <p><b>DIN:</b> 07746827</p>	<p>Appointed as Additional Director of the Company on February 15, 2024</p> <p>Appointed as Non- Executive Independent Director of the Company on February 19, 2024</p>	<ul style="list-style-type: none"> <li>VAC Magnetic India Private Limited</li> </ul>
<p><b>Name:</b> Mr. Priyesh Bharat Somaiya</p> <p><b>Father's Name:</b> Mr. Bharat Monji Somaiya</p> <p><b>Age:</b> 45 Years</p> <p><b>Date of Birth:</b> October 29, 1978</p> <p><b>Designation:</b> Non-Executive Independent Director</p> <p><b>Address:</b> Near Vardhaman Nagar, A-11, Deepa Apartment, Dr R.P Road, LIC Colony, Mulung West, Mumbai- 400080, Maharashtra, India.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director with effect from February 19, 2024 for a period of 5 years</p> <p><b>DIN:</b> 08664781</p>	<p>Appointed as Additional Director of the Company on February 15, 2024</p> <p>Appointed as Non- Executive Independent Director of the Company on February 19, 2024</p>	<ul style="list-style-type: none"> <li>Core Energy Systems Limited</li> </ul>
<p><b>Name:</b> Mr. Vijay P Vyas</p> <p><b>Father's Name:</b> Mr. Prahladbhai Vyas</p> <p><b>Age:</b> 63 Years</p> <p><b>Date of Birth:</b> August 16, 1960</p> <p><b>Designation:</b> Non-Executive Independent Director</p>	<p>Appointed as Additional Director of the Company on February 15, 2024</p> <p>Appointed as Non- Executive Independent Director of the Company on February 19, 2024</p>	<p>NIL</p>

Name, Father's Name, Age, DOB, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Re appointment	Other Directorships
<p><b>Address:</b> B/204, 2<sup>nd</sup> Floor, Shivam, CS Road No 5, Opp: Union Bank of India, Dahisar East, Mumbai- 400068, Maharashtra, India</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director with effect from February 19, 2024 for a period of 5 years</p> <p><b>DIN:</b> 02738087</p>		

## BRIEF PROFILE OF OUR DIRECTORS

**Dr. Varsha Subhash Kamal**, aged 63 years, is the Promoter, Chairperson and Managing Director of our Company. She holds Master Degree in Technology (Environmental Science & Engineering) from Indian Institute of Technology (IIT) received in the year 1986. She has completed her PhD Science in Biology from Carleton University at Ottawa Canada in the year 1989. She has been felicitated with Rajiv Gandhi Excellence Award in the year 1995 for Championing Water Conservation and Pollution Control by executing 200 projects over a span of 2 years. She has been associated with our company since inception. She collectively possesses more than 25 years of experience in the water and wastewater treatment industry, respectively. Her vision and growth strategies influence our company, enabling us to anticipate, guide, manage, develop, and control major aspects of our business operations, she is looking after projects bidding, marketing, overall management and financials areas of our company.

**Mr. Subhash Ramavtar Kamal**, aged 60 years, is the Promoter, Whole Time Director of our Company. He has completed his Bachelor of Engineering in Civil Engineering from Awadhesh Pratap Singh Vishwavidyalaya Rewa (MP) in the year 1984. He holds Master Degree in Technology (Environmental Science & Engineering) from Indian Institute of Technology (IIT) received in the year 1986. He has been felicitated with Marudhara Paryavaran Premi Sanmaan in the year 2005 for establishment of Common Effluent Treatment Plant for Textile Industries of Jasol and Badmer. He has been associated with our company since inception. He collectively possesses more than 25 years of experience in the water and wastewater treatment industry, respectively. He is responsible for crafting and implementing the overall strategy of the company, he is currently looking after projects execution, civil work and technical part of projects of our Company.

**Mr. Ravindra N Hanchate**, aged 51 years, is the Non-Executive Independent Director of our Company. He has completed Diploma in Electronics and Telecommunication Engineering from Maharashtra State Board in the year 1990. He has completed One-year Advanced Diploma in Business Administration in the year 2011 with Distinction. He also holds a Two year Post Graduate Diploma degree in Marketing Management in the year 2012. He has more than 10 years of experience in sales & marketing industry. He has been associated with OMG Chemicals & Magnetics Private Limited since 2013 for VAC India Office.

**Mr. Priyesh Bharat Somaiya**, aged 45 years, is the Non-Executive Independent Director of our Company. He has completed his Bachelors of Commerce from Mumbai University in the year 1999. He has passed the professional competence examination conducted by The Institute of Chartered Accounts of India in year 2002. He is an Associate member of the Institute of Chartered Accounts of India from the year 2002. He has an experience of more than 15 years in the field of finance and accountancy. He has previously worked as finance head at Saint-Gobain Weber, Owens Corning Industries (India) Private Limited, Dixon Asia Pacific Private Limited and General Manger in Finance & Accounts at Deepak Fertilisers Petrochemicals Corporation Limited. Currently he is Independent Practicing Chartered Accountant.

**Mr. Vijay P Vyas**, aged 63 years, is the Non-Executive Independent Director of our Company. He holds a Bachelor Degree in Commerce from University of Bombay in the year 1983. He is enrolled as an Authorised Income Tax Practitioner under the Income Tax Act 1961, from the year 1997. He has an experience of more than 20 years in the field of Taxation.

## CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

- None of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013, except for that:
  - Ms. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal are related to each other as Husband and Wife.
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a promoters or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce them to become or to help them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

## **DETAILS OF BORROWING POWERS**

Pursuant to a Special Resolution passed at an Extra-Ordinary General Meeting of our Company held on May 03, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company are authorized to borrow monies from time to time, with or without security, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 20,000.00 Lakhs.

## **REMUNERATION OF OUR EXECUTIVE DIRECTORS**

### **Dr. Varsha Subhash Kamal**

Dr. Varsha Subhash Kamal, has been director of the Company since January 06, 2014. Further, at the Board Meeting of the Company dated May 02, 2024, she was Re-designated as the Chairperson & Managing Director of our Company for a period of five years with effect from May 01, 2024. The details of his remuneration as revised by our Board on May 02, 2024, with effect May 01, 2024, for a period of three years, are as stated below:

<b>Particulars</b>	<b>Terms of remuneration</b>
<b>Remuneration</b>	₹ 13.33 Lakhs per month which shall be a sum of up to ₹ 160.00/- Lakhs per annum.
<b>Other benefits</b>	The director shall be entitled to reimbursement of expenses as decided by Board of Directors of Company from time to time and variable pay to be paid as decided from time to time and other terms and conditions of his employment be decided from time to time.

### **Mr. Subhash Ramavtar Kamal**

Mr. Subhash Ramavtar Kamal, has been director of the Company since January 06, 2014. Further, at the Board Meeting of the Company dated May 02, 2024, he was re-appointed as the Whole Time Director of our Company for a period of five

years with effect from May 01, 2024. The details of his remuneration as revised by our Board on May 02, 2024, with effect May 01, 2024, for a period of Three years, are as stated below:

Particulars	Terms of remuneration
<b>Remuneration</b>	₹ 13.33 Lakhs per month which shall be a sum of up to ₹ 160.00/- Lakhs per annum.
<b>Other benefits</b>	The director shall be entitled to reimbursement of expenses as decided by Board of Directors of Company from time to time and variable pay to be paid as decided from time to time and other terms and conditions of his employment be decided from time to time.

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, for the time being in force). The Remuneration / Sitting Fees paid to the Directors during the last F.Y. 2022 - 23 is as follows:

(₹ in Lakhs)

Sr. No.	Name	Designation	Remuneration paid
1.	Ms. Varsha Subhash Kamal	Chairperson & Managing Director	₹160.00/-
2.	Mr. Subhash Ramavtar Kamal	Whole Time Director	₹160.00/-

#### **SITTING FEES**

Pursuant to the Resolution passed by the Board of Directors of our Company on May 02, 2024, the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹ 5,000 /- with effect from May 01, 2024 for attending every meeting of Board and committees thereof.

#### **REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARIES OR ASSOCIATES**

As on the date of this Draft Red Herring Prospectus, we do not have any subsidiaries or associates.

#### **PAYMENT OF BENEFITS (NON-SALARY RELATED)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **SHAREHOLDING OF OUR DIRECTORS**

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our directors as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of the Director	No. of Equity Shares	% of pre offer paid up capital	% of post offer paid up capital
1.	Ms. Varsha Subhash Kamal	90,93,811	51.00%	[●]
2.	Mr. Subhash Ramavtar Kamal	87,36,550	48.99%	[●]

#### **INTEREST OF OUR DIRECTORS**

All our directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof payable to them.

Further our directors may be deemed to be interested to the extent of shareholding held by them in our Company or held by the entities in which they are associated as directors or partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue and any dividend and other distributions payable in respect of such Equity Shares. For the shareholding of the Directors, please refer chapter titled “*Our Management – Shareholding of our Directors*” on page 150 of this Draft Red Herring Prospectus.

Further, relatives of certain of our directors are also shareholders and / or employees of our Company and may be deemed to be interested to the extent of the payment of remuneration made by our Company and dividends declared on the Equity Shares held by them, if any. For the payments that are made by our Company to such relatives of the Directors, see “*Restated Financial Statements – Annexure IX - Related Party Transactions*” on page 170 of this Draft Red Herring Prospectus. Except mentioned in the Restated Financial Statements, no loans have been availed or extended by our directors from or to, our Company.

No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*”, beginning on page 117 of this Draft Red Herring Prospectus, none of our directors have interest in any property acquired or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 117 and 170 respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

Except Ms. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal, who are the Promoters of our Company, none of the other Directors are interested in the promotion of our Company.

#### **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Appointment / Change in designation</b>	<b>Reason for Change</b>
1.	Mr. Ravindra N Hanchate	February 15, 2024	Appointed as Additional Non-Executive Independent Director
2.	Mr. Priyesh Bharat Somaiya	February 15, 2024	Appointed as Additional Non-Executive Independent Director
3.	Mr. Vijay Prahladbhai Vyas	February 15, 2024	Appointed as Additional Non-Executive Independent Director
4.	Mr. Ravindra N Hanchate	February 19, 2024	Regularised as Non-Executive Independent Director
5.	Mr. Priyesh Bharat Somaiya	February 19, 2024	Regularised as Non-Executive Independent Director
6.	Mr. Vijay Prahladbhai Vyas	February 19, 2024	Regularised as Non-Executive Independent Director
7.	Dr. Varsha Subhash Kamal	May 02, 2024	Re-designated as Chairperson & Managing Director
8.	Mr. Subhash Ramavtar Kamal	May 02, 2024	Re-designated as Whole Time Director

#### **CORPORATE GOVERNANCE**

We are in compliance with the requirements of the Companies Act in respect of corporate governance including constitution of the Board and committees thereof. Further, conditions of corporate governance as stipulated in Regulation 17 to 27 of the SEBI LODR Regulations is not applicable to our company in terms of the Regulation 15(2)(b) of the SEBI LODR Regulations. Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Red Herring Prospectus, our Company has Five (5) Directors, 1 (One) as Chairperson & Managing Director, 1 (One) as Wholetime Director, and 3 (Three) as Non-Executive Independent Director. There is 1 (One) Woman Director in our Board.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

Our Board of Directors presently has four (4) committees which have been constituted in accordance with the relevant provisions of the Companies Act: (i) Audit Committee, (ii) Stakeholders' Relationship Committee, (iii) Nomination and Remuneration Committee, and (iv) Corporate Social Responsibility Committee.

### **Audit Committee**

Our Board has constituted the Audit Committee vide Board Resolution dated May 02, 2024 which was in accordance with Section 177 of the Companies Act, 2013. The audit committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Priyesh Bharat Somaiya	Non-Executive Independent Director	Chairman
Mr. Vijay Prahladbhai Vyas	Non-Executive Independent Director	Member
Dr. Varsha Subhash Kamal	Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The role of Audit Committee shall include but shall not be restricted to the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions; g. Qualifications in the draft audit report;
  - (vii) Qualifications in the draft audit report;
5. Reviewing with the management the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Discussion with internal auditors any significant findings and follow up there on;
11. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
12. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
14. To review the functioning of the Whistle Blower mechanism;
15. Approval of appointment of CFO (or the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
16. Approval or any subsequent modification of transactions of the company with related parties;
17. Scrutiny of inter-corporate loans and investments;
18. Valuation of undertakings or assets of the Company, whenever it is necessary;
19. Evaluation of internal financial controls and risk management systems;
20. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

*Explanation (i): The term “related party transactions” shall have the same meaning as contained in the Ind AS 24, Related Party Transactions, issued by The Institute of Chartered Accountants of India.*

*Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.*

The Audit Committee enjoys following powers:

- i) To investigate any activity within its terms of reference.
- ii) To seek information from any employee.
- iii) To obtain outside legal or other professional advice.
- iv) To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- i) Management discussion and analysis of financial condition and results of operations;

- ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee.
- vi) statement of deviations: (a) half yearly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI LODR Regulations; and (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI LODR Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

### **Meeting of Audit Committee and Relevant Quorum**

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

### **Stakeholders' Relationship Committee**

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution dated May 02, 2024 pursuant to Section 178 of the Companies Act, 2013.

The Stakeholder's Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Priyesh Bharat Somaiya	Non-Executive Independent Director	Chairman
Mr. Vijay Prahladbhai Vyas	Non-Executive Independent Director	Member
Mr. Subhash Ramavtar Kamal	Whole Time Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
6. Approve, register, refuse to register transfer or transmission of shares and other securities;
7. Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

8. Allotment and listing of shares;
9. Authorise affixation of common seal of the Company;
10. Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
11. Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
12. Dematerialize or rematerialize the issued shares;
13. Ensure proper and timely attendance and redressal of investor queries and grievances;
14. Carry out any other functions contained in the Companies Act, 2013 (including Section 178) and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

#### **Meeting of Stakeholders' Relationship Committee and Relevant Quorum**

The stakeholders' Relationship committee shall meet at least four times in a year and shall report to the Board of Directors on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for a meeting of the Stakeholder's Relationship Committee shall be two members present.

#### **Nomination and Remuneration Committee**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated May 02, 2024 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Priyesh Bharat Somaiya	Non-Executive Independent Director	Chairman
Mr. Vijay Prahladbhai Vyas	Non-Executive Independent Director	Member
Mr. Ravindra N Hanchate	Non-Executive Independent Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i) use the services of an external agencies, if required;
  - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of Independent Directors and the Board;
4. devising a policy on Board diversity;

5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
7. recommend to the board, all remuneration, in whatever form, payable to senior management.

#### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members. The Committee shall meet as and when required.

#### **Corporate Social Responsibility Committee**

Our Board has Re-constituted the Corporate Social Responsibility Committee vide Board Resolution dated May 02, 2024 pursuant to section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Dr. Varsha Subhash Kamal	Managing Director	Chairperson
Mr. Subhash Ramavtar Kamal	Whole Time Director	Member
Mr. Priyesh Bharat Somaiya	Non-Executive Independent Director	Member

The scope of Corporate Social Responsibility Committee shall include but shall not be restricted to the following:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time; and
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

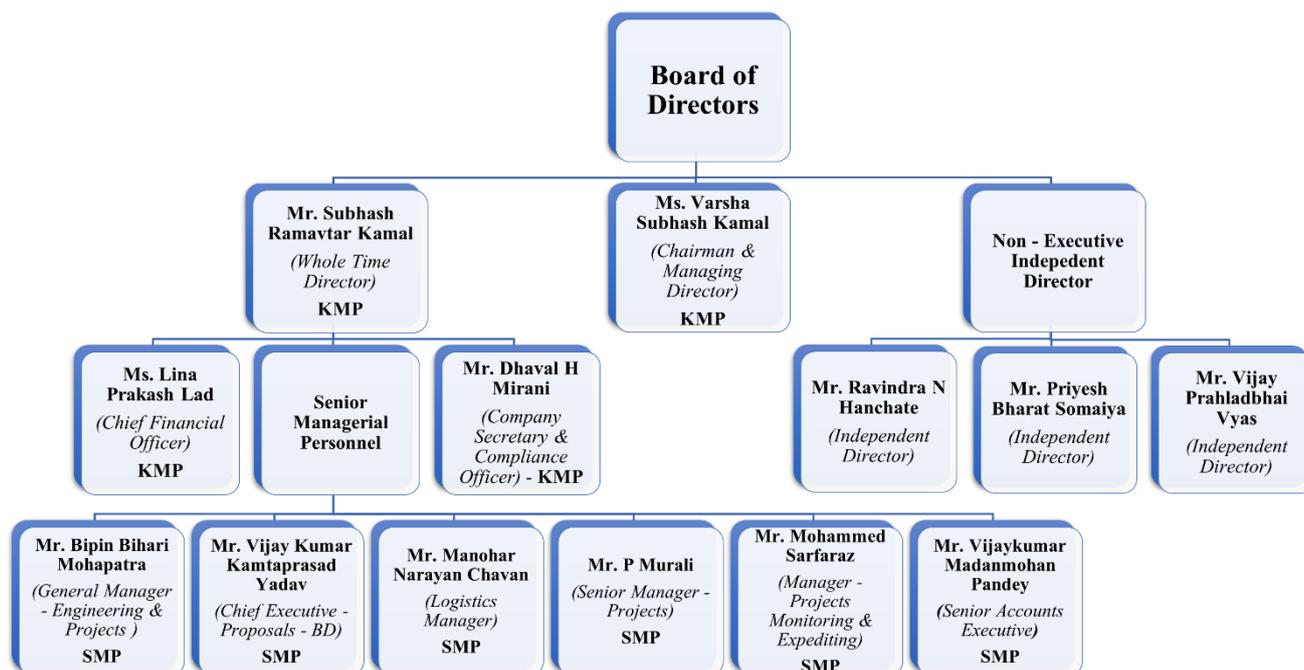
#### **Meeting of Corporate Social Responsibility Committee and Relevant Quorum**

The quorum necessary for a meeting of the Corporate Social Responsibility Committee shall be two members or one third of the members of the committee whichever is greater. The Committee shall meet at least once in a year.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 9(1) of the SEBI PIT Regulations will be applicable to our Company immediately upon the listing of its Equity Shares on the NSE Emerge. We shall comply with the requirements of the SEBI PIT Regulations on listing of Equity Shares on stock exchange. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

## ORGANIZATIONAL STRUCTURE



## KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and Senior Management of our Company:

### Key Managerial Personnel of our Company:

**Ms. Varsha Subhash Kamal** is the Chairperson & Managing Director of the Company and **Mr. Subhash Ramavtar Kamal** is the Whole Time Director of the Company. For detailed profile, see para, “*Brief Profile of our Directors*” on page 150 of this Draft Red Herring Prospectus.

**Ms. Lina Prakash Lad**, aged 33 years, is the Chief Financial Officer in our company effective from December 01, 2023. She completed her Bachelor of Commerce from the University of Mumbai in the year 2011. She has around 10 years of experience in field of accounting, taxation and finance, with over 3 years of experience as an article in Gor & Savla, a Chartered Accountant Firm, she has been associated with our company for over 7 years. She is responsible for all accounting, taxation, and financial decisions of our company. Her salary for the Fiscal Year 2022-23 was ₹ 12.00 Lakhs.

**Mr. Dhaval H Mirani**, aged 36 years, is the Company Secretary and Compliance Officer of our Company with effect from February 15, 2024. He has completed his Bachelor of Commerce from Saurashtra University in the year 2007. He has passed Integrated Professional Competence Examination Certificate from the Institute of Chartered Accountants of India in the year 2012. He has passed the professional competence examination conducted by The Institute of Company Secretary of India. He is an Associate member of the Institute of Company Secretaries of India. He has around 3 years of experience in Tax, Accounts, Listing Compliances, Agreement Drafting & Vetting, Secretarial Compliance etc. He is responsible for the Secretarial, Legal and Compliance division of our Company. He was not paid any remuneration in the Fiscal Year 2022-23 as he has been appointed in our Company with effect from February 15, 2024.

### Senior Management Personnel of our Company:

In addition to the above, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

**Mr. Bipin Bihari Mohapatra**, aged 54 years, is the General Manager - Engineering & Projects of our company. He has completed Bachelor of Engineering (Electrical) from Institute of Engineering & Management, Kolkata in the year 1991. He has been associated with our company for past 9 years. Since he was appointed on June 02, 2014, he was paid ₹ 27.59

Lakhs as salary in the Fiscal Year 2022-23. He has been instrumental in managing & leading the Projects Department related functions of the Company.

**Mr. Vijay Kumar Kamtaprasad Yadav**, aged 34 years, is the Chief Executive - Proposals and Business Development of our company. He has completed his Bachelor of Engineering from University of Mumbai in the year 2010. He has been associated with our company for past 11 year. Since he was appointed on June 02, 2014, he was paid ₹ 27.88 Lakhs as salary in the Fiscal Year 2022-23. He is responsible for Managing the overall Proposals and Business Development of our company.

**Mr. Manohar Narayan Chavan**, aged 58 years, is the Logistics Manager of our company. He has completed his Higher Secondary School Examination from Bharati Vidya Mandir Hindi Night Junior College in the year 1983. He has been associated with our company for past 9 years. Since he was appointed on June 02, 2014, he was paid ₹ 9.75 Lakhs as salary in the Fiscal Year 2022-23. He is responsible for the overall logistics management of our company.

**Mr. P Murali**, aged 39 years, is the Senior Manager - Projects of our company. He has completed his Bachelor of Engineering from Jawaharlal Nehru Technological University, Andhra Pradesh in the year 2005. He has 11 years of experience in M.N Dastur & Company (P) Ltd. He has been associated with our company for past 5 years. Since he was appointed on August 01, 2018, he was paid ₹ 13.95 Lakhs as salary in the Fiscal Year 2022-23. He is responsible for managing the site projects of the company.

**Mr. Mohammed Sarfaraz**, aged 36 years, is the Manager - Project Monitoring & Expediting of our company. He has completed his Bachelor of Engineering (Mechanical) from Chhattisgarh Swami Vivekanand Technical University, Bhilai in the year 2010. He has been associated with our company for past 5 years. Since he was appointed on March 08, 2019, he was paid ₹ 9.40 Lakhs as salary in the Fiscal Year 2022-23. He has been instrumental in Project related function of the company.

**Mr. Vijaykumar Madanmohan Pandey**, aged 35 years, is the Senior Accounts Executive of our company. He has completed his Bachelor in Management Studies from University of Mumbai in the year 2010. He was previously associated with Systematic Wires Pvt Ltd. He has been associated with our company for past 1 year. Since he was appointed on October 03, 2022, he was paid ₹ 3.46 Lakhs as salary in the Fiscal Year 2022-23. He is instrumental in handling Finance & Accounts related work of our company.

#### **STATUS OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

All our Key Managerial Personnel and senior management are permanent employees of our Company.

#### **RELATIONSHIP BETWEEN OUR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our directors are related to each other or to our Key Managerial Personnel and Senior Management. Except as mentioned below:

- Dr. Varsha Subhash Kamal and Mr. Subhash Ramavtar Kamal are related to each other as Husband and Wife

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

Except for the following, none of our KMPs or senior management hold any shares of our Company as on the date of this Draft Red Herring Prospectus.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>No. of Equity Shares</b>	<b>Percentage of Pre-Offer Capital (%)</b>
1.	Dr. Varsha Subhash Kamal	Chairperson & Managing Director	90,93,811	51.00%
2.	Mr. Subhash Ramavtar Kamal	Whole time Director	87,36,550	48.99%

#### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Our Key Managerial Personnel or Senior Management have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Management Personnel or Senior Management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel or Senior Management may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares in future.

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel or senior management have been selected as the Key Managerial Personnel or senior management of our Company.

#### **BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

There is no profit-sharing plan for the Key Managerial Personnel or senior management. However, our Company provides performance linked bonus payments, in accordance with their terms of appointment.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

There is no contingent or deferred compensation payable to our Key Managerial Personnel and senior management, which form part of their remuneration.

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Our Company does not have an employee stock option scheme as on the date of this Draft Red Herring Prospectus.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS**

The changes in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of filing of this Draft Red Herring Prospectus are set forth below:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason for Change</b>
Ms. Lina Prakash Lad,	Chief Financial Officer	December 01, 2023	Appointed as Chief Financial Officer
Mr. Dhaval H Mirani	Company Secretary & Compliance Officer	February 15, 2024	Appointed as Company Secretary and Compliance Officer
Dr. Varsha Subhash Kamal	Chairperson & Managing Director	May 02, 2024	Re-designated as Chairperson & Managing Director
Mr. Subhash Ramavtar Kamal	Whole Time Director	May 02, 2024	Re-designated as Whole Time Director

#### **ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The attrition of Key Managerial Personnel and senior management is not high in our Company compared to the industry.

## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,78,30,361 Equity Shares, representing 99.99% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure" beginning on page 67 of this Draft Red Herring Prospectus.

The details of our Promoters are as under:

<b>Dr. Varsha Subhash Kamal</b>	
	<p><b>Dr. Varsha Subhash Kamal</b>, aged 63 years is the Promoter, Chairperson and Managing Director of our Company. For her complete profile along with the details of her date of birth, address, educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, her business and financial activities, please refer to the chapter titled "Our Management" on page 150 of this Draft Red Herring Prospectus.</p> <p><b>Date of Birth:</b> August 27, 1960</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ABEPK0756E</p> <p><b>Residential Address:</b> 2701, D-2 Juniper, Neelkanth Greens, Tikuji Niwadi Road, Tikuji Niwadi, Manpada Mulla Baug, Thane – 400610, Maharashtra, India.</p> <p><b>Other Interests:</b></p> <ul style="list-style-type: none"> <li>• Effwa Welfare Foundation</li> <li>• Aireff Detox Inc.</li> </ul>
<b>Mr. Subhash Ramavtar Kamal</b>	
	<p><b>Mr. Subhash Ramavtar Kamal</b>, aged 60 years is the Promoter, Whole Time Director of our Company. For his complete profile along with the details of his date of birth, address, educational qualification, experience in the business, positions/posts held in past, directorships held, other ventures, special achievements, his business and financial activities, please refer to the chapter titled "Our Management" on page 150 of this Draft Red Herring Prospectus.</p> <p><b>Date of Birth:</b> September 17, 1963</p> <p><b>Nationality:</b> Indian</p> <p><b>PAN:</b> ABEPK4082B</p> <p><b>Residential Address:</b> 2704, D-2 Juniper, Neelkanth Greens, Tikuji Niwadi Road, Tikuji Niwadi, Manpada Mulla Baug, Thane – 400610, Maharashtra, India.</p> <p><b>Other Interests:</b></p> <ul style="list-style-type: none"> <li>• Effwa Welfare Foundation</li> <li>• Aireff Detox Inc.</li> </ul>

### DECLARATION

- We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License number Aadhaar Card number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus with the Stock Exchange.

2. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoters have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

## **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

## **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 150 of this Draft Red Herring Prospectus.

## **INTEREST OF OUR PROMOTERS**

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 67, 170 and 150 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 170 of this Draft Red Herring Prospectus.

### ***Interest of Promoter in the Promotion of our Company***

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled “*Capital Structure*” on page 67 of this Draft Red Herring Prospectus.

### ***Interest of Promoter in the Property of our Company***

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 117 and 170 respectively, of this Draft Red Herring Prospectus, our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 117 of this Draft Red Herring Prospectus Our Promoters does not have any interest in any land or property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or

arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

#### ***Interest in our Company other than as Promoter***

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of remuneration, commission and reimbursement of expenses payable to them as per the terms of his appointment, the Articles of Association of our Company and relevant provisions of Companies Act. For further information on our Promoter' compensation and other details please refer to the chapter titled "*Our Management*" on page 150 of this Draft Red Herring Prospectus.

Except as mentioned in this chapter and chapters titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and "*Restated Financial Statements*" beginning on pages 117, 147, 150 and 170, respectively, our Promoters do not have any other interest in our Company.

### **BUSINESS INTERESTS**

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

### **PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the chapter titled "*Restated Financial Statements*" beginning on page 170 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or members of our Promoter Group.

### **MATERIAL GUARANTEES GIVEN BY OUR PROMOTERS TO THIRD PARTY WITH RESPECT TO EQUITY SHARES**

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantees to any third party with respect to the Equity Shares.

### **OUR PROMOTER GROUP**

Apart from our Promoters, as per Regulation 2(1)(pp) of the SEBI ICDR Regulations, the following individuals and entities shall form part of our Promoter Group:

#### **A. Natural Persons who are Part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

<b>Name of the Promoter</b>	<b>Name of the Relative</b>	<b>Relationship with the Promoter</b>
Dr. Varsha Subhash Kamal	Late. Vasant Dange	Father
	Late. Suman Vasant Dange	Mother
	Mr. Subhash Ramavtar Kamal	Spouse
	Mr. Vijay Vasant Dange	Brothers
	---	Sisters
	Mr. Shraddhesh Subhash Kamal	Son
	Ms. Shravani Subhash Kamal	Daughter

Name of the Promoter	Name of the Relative	Relationship with the Promoter
	Late. Ramavtar Mishra	Spouse's Father
	Ms. Kamala Mishra	Spouse's Mother
	Mr. Sudhir Kamal	Spouse's Brother
	Mr. Sunil Kamal	
	----	Spouse's Sisters
Mr. Subhash Ramavtar Kamal	Late. Ramavtar Mishra	Father
	Ms. Kamala Mishra	Mother
	Ms. Varsha Subhash Kamal	Spouse
	Mr. Sudhir Kamal	Brothers
	Mr. Sunil Kamal	
	----	Sisters
	Mr. Shraddhesh Subhash Kamal	Son
	Ms. Shravani Subhash Kamal	Daughter
	Late. Vasant Dange	Spouse's Father
	Late. Suman Vasant Dange	Spouse's Mother
	Mr. Vijay Vasant Dange	Spouse's Brother
	----	Spouse's Sisters

### **B. Companies / Corporate Entities Forming Part of the Promoter Group**

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, the following Companies/Trusts/ Partnership firms/HUFs or Sole Proprietorships are forming part of our Promoter Group.

Sr. No.	Name of Promoter Group Entity/Company
1.	Effwa Welfare Foundation
2.	Snitzer Technologies Private Limited
3.	M/s. Aireff Detox Incinerations
4.	M/s. Kamal Subhash HUF

### **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled "*Capital Structure*" beginning on page 67 of this Draft Red Herring Prospectus.

### **COMPANIES WITH WHICH THE PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus.

### **OUTSTANDING LITIGATIONS**

There is no other outstanding litigation against our Promoters except as disclosed in the section titled "*Risk Factors*" and chapter titled "*Outstanding Litigations and Material Developments*" beginning on pages 27 and 195 respectively of this Draft Red Herring Prospectus.

## OUR GROUP COMPANIES

The definition of '*Group Companies*' as per the SEBI ICDR Regulations, shall include such companies (other than promoters(s), holding Company and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated May 02, 2024 our Group Companies includes:

- (a) Those companies disclosed as related parties in accordance with Accounting Standard ("AS 18") issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (b) All such companies which are deemed to be material by the Board of Directors. Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for the Equity Shares. The dividend pay - out shall be determined by our Board after taking into account a number of factors, including but not limited to : (i) internal factors such as profits earned during the year, present and future capital requirements of the existing businesses, business acquisitions, expansion/modernization of existing businesses, availability of external finance and relative cost of external funds, additional investments in subsidiaries/associates/joint ventures of our Company and restrictions on loan agreement(s); and (ii) external factors such as economic and industry outlook, growth outlook, statutory/regulatory restrictions and covenants with lenders/bond holders. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.

For details of risks in relation to our capability to pay dividend, see Risk Factors – Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid / declared any dividend in six-month period ended December 31, 2023 and in last three years from date of this Draft Red Herring Prospectus.

**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

<b>Sr No.</b>	<b>Particulars</b>	<b>Page No</b>
1.	Restated Financial Statements	F-1 to F- 32

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**INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**  
**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

**To,**  
**The Board of Directors,**  
**Effwa Infra & Research Limited**

Dear Sir,

We have examined the attached Restated Audited Financial Information of Effwa Infra & Research Limited (*hereinafter referred as "the Company"*) which was incorporated pursuant to conversion of "Effwa Infra & Research Pvt. Ltd comprising the Restated Audited Statement of Assets and Liabilities as at December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021. the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for the financial year ended December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on May 06, 2024. for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") as amended (ICDR Regulations"); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI");
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note").

The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Kolkata in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the financial year ended December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 on the basis of preparation stated in ANNEXURE – IV to the Restated Financial Information. The Board of Directors of the company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

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 March 20, 2024. in connection with the proposed IPO of equity shares of the Company; The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- b) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and ,
- c) 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.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the Stub period ended December 31, 2023 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.
- b) Audited Financial Statement for the financial year ended March 31, 2023; March 31, 2022 & March 31, 2021 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates and which have been approved by the board of directors.

- c) We have audited the special purpose financial information of the Company for the stub period ended on December 31, 2023 & financial year ended March 31, 2023 prepared by the Company in accordance with the AS 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 May 06, 2024 on these special-purpose financial information to the Board of Directors who have approved these in their meeting held on May 06, 2024.

For the purpose of our examination, we have relied on:

- a) Auditors’ Report issued by the statutory Auditor Gor & Savla (the “Statutory Auditors”) dated February 5, 2024; September 11, 2023; August 1, 2022 & June 19, 2021 for the Period ended on December 31, 2023 & Financial year ended March 31, 2023; March 31, 2022 & March 31, 2021 respectively.
- b) The audit was conducted by the Company’s statutory auditor, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Audited Financial Statement”) examined by them for the said years.

The modification in restated financials were carried out based on the modified reports, if any, issued by statutory auditor which is giving rise to modifications on the financial statements as at and for the periods ended December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021. There is no qualification of statutory auditor for the Financial Statement of December 31, 2023, March 31, 2023, March 31, 2022, March 31, 2021.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the period ended on December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:-

- a) The Restated Financial Information or Restated Summary Financial Statement 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;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by Gor & Savla for the Period Ended on December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 which would require adjustments in this Restated Financial Statements of the Company;
- e) 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;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend since its incorporation.
- j) The related party transaction for purchase & sales of services entered by the company are at arm’s length.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – I to this report, of the Company as at Period Ended on December 31, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – II to this report, of the Company for Period Ended on December 31, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021 is 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 Statement of Cash Flow” as set out in ANNEXURE – III to this report, of the Company Period Ended on December 31, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated 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.

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 for the Period Ended on December 31, 2023, March 31, 2023 , March 31, 2022 and March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Partner’s Capital, Share Capital, Reserves And Surplus	Annexure – A.1 & Annexure – A.2
Restated Statement of Long Term Borrowing	Annexure – A.3
Restated Statement of Long Term Provisions	Annexure – A.4
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.5
Restated Statement of Short Term Borrowing	Annexure – A.6
Restated Statement of Trade Payables	Annexure – A.7
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – A.8 & Annexure – A.9
Restated Statement of Fixed Assets	Annexure – A.10
Restated Statement of Other Non Current Investments	Annexure – A.11
Restated Statement of Other Non Current Assets	Annexure – A.12
Restated Statement of Inventories	Annexure – A.13
Restated Statement of Trade Receivables	Annexure – A.14
Restated Statement of Cash & Cash Equivalents	Annexure – A.15
Restated Statement of Short Term Loans & Advances	Annexure – A.16
Restated Statement of Other Current Assets	Annexure – A.17
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Cost of Goods Sold	Annexure – B.3
Restated Statement of Employee Benefit Expenses	Annexure – B.4
Restated Statement of Office & Administrative Expenses	Annexure – B.5
Restated Statement of Selling & Distribution Expenses	Annexure - B.6
Restated Statement of Finance Cost	Annexure - B.7
Restated Statement of Depreciation & Amortisation	Annexure - B.8
Restated Statement of Other Expenses	Annexure - B.9
Restated Statement of Deferred Tax Asset / Liabilities	Annexure - B.10
Material Adjustment to the Restated Financial	Annexure – E
Restated Statement of Tax shelter	Annexure – F

Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated statement of Related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, 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.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. –013225**

**CA Akanksha Gupta**  
**(Partner)**  
**Membership No.421545**  
**UDIN – 24421545BKJMBG7939**  
**Date: May 06, 2024**  
**Place: Thane**

**EFFWA INFRA & RESEARCH LIMITED**  
(FORMERLY KNOWN AS AS EFFWA INFRA & RESEARCH PRIVATE LIMITED)

**ANNEXURE – A : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	As at December 31, 2023	As at 31st March		
				2023	2022	2021
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	A.1	232.57	232.57	232.57	232.57
	Reserves & Surplus	A.2	3,098.14	2,123.52	1,609.59	1,168.15
	<b>Share application money pending allotment</b>		-	-	-	-
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	A.3	139.12	287.97	129.54	140.30
	Other Non-Current Liabilities					-
	Long-Term Provisions	A.4	16.41	17.64	14.26	10.67
	Deferred Tax Liabilities (Net)	A.5	-	-	-	-
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	A.6	733.98	1,335.04	896.57	737.17
	Trade Payables :	A.7				
	(A) total outstanding dues of micro enterprises and small enterprises; and		997.90	938.72	796.51	542.95
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	A.7	735.73	1,047.32	736.90	183.68
	Other Current Liabilities	A.8	223.31	303.63	76.12	213.40
	Short Term Provisions	A.9	346.20	192.13	156.16	91.282
	<b>Total</b>		<b>6,523.36</b>	<b>6,478.54</b>	<b>4,648.22</b>	<b>3,320.17</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	A.10	62.17	49.45	33.97	33.31
	Intangible Assets		-	-	-	-
	Capital Work in progress		-	-	-	-
	Intangible Assets Under Development		-	-	-	-
	Non-Current Investments	A.11	686.77	449.29	251.68	168.10
	Deferred Tax Assets	A.5	9.74	9.51	9.39	9.17
	Long Term Loans & Advances		-	-	-	-
	Other Non Current Assets	A.12	159.85	151.34	119.15	59.65
<b>2</b>	<b>Current Assets</b>					
	Current Investments					
	Inventories	A.13	195.73	309.28	324.07	15.02
	Trade Receivables	A.14	4644.04	5167.51	3121.28	2774.50
	Cash and Cash Equivalents	A.15	132.49	4.30	310.94	9.97
	Short-Term Loans and Advances	A.16	32.86	64.54	84.58	112.02
	Other Current Assets	A.17	599.72	273.33	393.16	138.42
	<b>Total</b>		<b>6523.36</b>	<b>6478.54</b>	<b>4648.22</b>	<b>3320.17</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

For M/s A Y & Company  
Chartered Accountants  
Firm Registration No : 020829C

On behalf of Board of Directors

Dr. Varsha Subhash Kamal  
Chairman Cum Managing Director  
DIN : 00270314

Mr. Subhash Ramavtar Kamal  
Whole Time Director  
DIN : 00255160

CA Akanksha Gupta  
Partner  
M. No. 421545  
UDIN : 24421545BKJMBG7939

Ms. Lina Prakash Lad  
Chief Financial Officer

Mr. Dhaval H Mirani  
Company Secretary

Date : 06.05.2024  
Place : Thane

**EFFWA INFRA & RESEARCH LIMITED**  
(FORMERLY KNOWN AS AS EFFWA INFRA & RESEARCH PRIVATE LIMITED)

**ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the Period ended December 31, 2023	For The Year Ended 31st March		
				2023	2022	2021
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	9010.02	11509.57	10436.67	5457.31
	Other income	<b>B.2</b>	20.81	31.79	25.00	12.01
	<b>Total Income</b>		<b>9030.83</b>	<b>11541.36</b>	<b>10461.67</b>	<b>5469.32</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of Goods Sold	<b>B.3</b>	6249.15	9161.56	8524.76	4240.44
	Employees Benefit Expenses	<b>B.4</b>	675.79	731.83	649.47	519.01
	Office & Admin Expenses	<b>B.5</b>	72.63	75.85	62.71	38.29
	Selling & Distribution Exp.	<b>B.6</b>	70.39	85.46	69.54	29.64
	Finance costs	<b>B.7</b>	160.12	196.48	93.26	116.10
	Depreciation and Amortization	<b>B.8</b>	15.64	12.27	11.80	17.00
	Other expenses	<b>B.9</b>	471.28	575.76	457.31	203.56
	<b>Total Expenses</b>		<b>7715.00</b>	<b>10839.20</b>	<b>9868.86</b>	<b>5164.04</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>1315.82</b>	<b>702.15</b>	<b>592.81</b>	<b>305.28</b>
	Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax</b>		<b>1315.82</b>	<b>702.15</b>	<b>592.81</b>	<b>305.28</b>
	Extraordinary items		-	-	-	-
	<b>Profit before tax</b>		<b>1315.82</b>	<b>702.15</b>	<b>592.81</b>	<b>305.28</b>
	<b>Tax expense :</b>					
	Current tax		341.44	188.34	151.59	90.69
	Deferred Tax	<b>B.10</b>	(0.23)	(0.12)	(0.22)	(9.17)
	Profit (Loss) for the period from continuing operations		<b>974.62</b>	<b>513.94</b>	<b>441.44</b>	<b>223.76</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		5.47	2.88	2.48	1.25
	(2) Diluted		5.47	2.88	2.48	1.25

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.

For M/s A Y & Company  
Chartered Accountants  
Firm Registration No : 020829C

On behalf of Board of Directors

CA Akanksha Gupta  
Partner  
M. No. 421545  
UDIN : 24421545BKJMBG7939

Dr. Varsha Subhash Kamal  
Chairman Cum Managing Director  
DIN : 00270314

Ms. Lina Prakash Lad  
Chief Financial Officer

Mr. Subhash Ramavtar Kamal  
Whole Time Director  
DIN : 00255160

Mr. Dhaval H Mirani  
Company Secretary

Date : 06.05.2024  
Place : Thane

**EFFWA INFRA & RESEARCH LIMITED**  
(FORMERLY KNOWN AS AS EFFWA INFRA & RESEARCH PRIVATE LIMITED)

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

Particulars	For the Period ended December 31, 2023	For The Year Ended 31st March		
		2023	2022	2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1,315.82	702.15	592.81	305.28
Adjustments for:				
Depreciation	15.64	12.27	11.80	17.00
Provision for Gratuity	0.29	3.53	3.72	11.26
Finance Cost	160.12	196.48	93.26	116.10
Interest Income	(19.31)	(17.45)	(14.83)	(11.48)
<b>Operating profit before working capital changes</b>	<b>1,472.57</b>	<b>896.98</b>	<b>686.76</b>	<b>438.16</b>
Movements in working capital :				
(Increase)/Decrease in Inventories	113.55	14.79	(309.05)	97.69
(Increase)/Decrease in Trade Receivables	523.47	(2,046.23)	(346.78)	(988.11)
(Increase)/Decrease in Short Term Loans & Advances	31.68	20.04	27.44	63.24
(Increase)/Decrease in Other Current Assets	(326.39)	119.83	(254.74)	(40.54)
Increase/(Decrease) in Trade Payables	(252.41)	452.63	806.78	437.36
Increase/(Decrease) in Other Current Liabilities	(80.32)	227.51	(137.28)	68.08
<b>Cash generated from operations</b>	<b>1,482.15</b>	<b>(314.44)</b>	<b>473.14</b>	<b>75.89</b>
Income tax paid during the year	188.89	152.53	86.84	-
<b>Net cash from operating activities (A)</b>	<b>1,293.26</b>	<b>(466.97)</b>	<b>386.30</b>	<b>75.89</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	19.31	17.45	14.83	11.48
(Increase)/Decrease in Non Current Investments	(237.48)	(197.61)	(83.59)	(168.10)
(Increase)/Decrease in Non Current Assets	(8.51)	(32.19)	(59.50)	(59.65)
Purchase of Fixed Assets	(28.36)	(27.75)	(12.46)	(7.96)
<b>Net cash from investing activities (B)</b>	<b>(255.04)</b>	<b>(240.10)</b>	<b>(140.71)</b>	<b>(224.24)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(160.12)	(196.48)	(93.26)	(116.10)
Proceeds/(Repayment) of Borrowings	(749.91)	596.90	148.64	109.41
<b>Net cash from financing activities (C)</b>	<b>(910.03)</b>	<b>400.42</b>	<b>55.38</b>	<b>(6.69)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>128.19</b>	<b>(306.65)</b>	<b>300.97</b>	<b>(155.04)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4.30</b>	<b>310.94</b>	<b>9.97</b>	<b>164.99</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>132.49</b>	<b>4.30</b>	<b>310.94</b>	<b>9.97</b>
<b>Cash &amp; Cash Equivalent Comprises</b>				
Cash in Hand	1.44	2.32	2.37	3.61
Balance With Bank in Current Accounts	131.05	1.97	308.57	6.36
Balance with Bank in Deposits Accounts	0.00	0.00	0.00	0.00

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

For M/s A Y & Company  
Chartered Accountants  
Firm Registration No : 020829C

On behalf of Board of Directors

CA Akanksha Gupta  
Partner  
M. No. 421545  
UDIN : 24421545BKJMBG7939

Dr. Varsha Subhash Kamal  
Chairman Cum Managing Director  
DIN : 00270314

Mr. Subhash Ramavtar Kamal  
Whole Time Director  
DIN : 00255160

Ms. Lina Prakash Lad  
Chief Financial Officer

Mr. Dhaval H Mirani  
Company Secretary

Date : 06.05.2024  
Place : Thane

## ANNEXURE – D

### SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

#### A. COMPANY INFORMATION

Our Company was originally formed as a Private Limited under the provisions of The Companies Act, 2013 in the name and style of “Effwa Infra & Research Private Limited” pursuant to certificate of incorporation was issued by the Registrar of Companies, Maharashtra on January 6, 2014. Effwa Infra & Research Private Limited was thereafter converted to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of “Effwa Infra & Research Limited” and received a Certificate of Incorporation from the Registrar of Companies, Maharashtra dated May 2, 2024. The Corporate Identity Number of our Company is U90001MH2014PLC251793.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 or 2001 as may be applicable and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

##### 5. Depreciation

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

As per (AS) 2, The inventories are physically verified at regular intervals by the management. Raw Material Inventories are valued at the lower of cost and net realizable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Consumable stores and spares are valued at the lower of cost and net realizable value, as estimated by the management. Obsolete, defective, unserviceable and slow/non-moving stocks are duly provided for.

## **8. Revenue Recognition**

Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like Sales Tax And/ Or Goods & Service Tax .

### **Sale of Goods**

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company.

Hence, they are excluded from revenue.

### **Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **Service Income**

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

### **Dividend Income**

Dividend income from investments, if any, is accounted on the receipt basis.

### **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized/accrued.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## **13. Provision, 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.

## **B. NOTES ON ACCOUNTS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### **2. Segment Reporting**

The Company at present is engaged in the Business of providing effluent treatment and recycling, sewage treatment and recycling, water treatment and distribution, restoration of water bodies, hazardous waste incineration etc. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

### **3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 except as mentioned in Annexure-H, for any of the years/ stub period covered by the statements.

### **4. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006 or 2001 as may be applicable, as amended, in the Annexure – J of the enclosed financial statements.

5. Accounting for Deferred Taxes on Income (AS 22)

(Rs. In Lakhs)

Particulars	For the Period from 1 <sup>st</sup> April to 31 <sup>st</sup> December 2023	As at 31st March		
		2023	2022	2021
WDV as per Companies Act, 2013 (A)	62.17	49.45	33.97	33.31
WDV as per Income tax Act, 1961 (B)	82.62	68.71	56.28	58.48
Difference in WDV (A-B)	(20.45)	(19.26)	(22.31)	(25.17)
Timing Difference due to Provision for Gratuity (DTA) (C)	18.25	18.51	14.9793	11.26
Total Timing Difference (D)	(38.71)	(37.77)	(37.29)	(36.43)
Deferred Tax (Asset)/ Liability '(E)	(9.74)	(9.51)	(9.39)	(9.17)
Restated Closing Balance of Deferred Tax (Asset)/ Liability (E)	(9.74)	(9.51)	(9.39)	(9.17)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(9.51)	(9.39)	(9.17)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.23)	(0.12)	(0.22)	(9.17)

6. Post Employment Benefits: The Company has valued its obligations related to Gratuity as follows:

(Rs. In Lakhs)

I. ASSUMPTIONS	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Discount Rate	7.25%	7.50%	7.10%	6.25%
Expected Rate of Salary Increase	6.00%	6.00%	6.00%	6.00%
Withdrawal Rate	10.00%	10.00%	10.00%	10.00%
Mortality	IALM 2012- 14	IALM 2012- 14	IALM 2012- 14	IALM 2012-14
Retirement	60 Years	60 Years	60 Years	60 Years
II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Defined Benefit Obligation at beginning of the year	18.51	14.98	11.25	0.00
Current Service Cost	3.67	5.56	4.38	11.95
Interest cost	1.04	1.06	0.76	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(4.42)	(3.09)	(0.79)	0.00
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	0.00	0.00	0.00	0.00
Benefits Paid	(0.55)	0.00	(0.62)	(0.69)
Defined Benefit Obligation as at end of the year	18.25	18.51	14.98	11.25
III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Net liability as at beginning of the year	18.51	14.98	11.25	0.00
Net expense recognized in the Statement of Profit and Loss	0.29	3.53	4.35	11.95
Benefits Paid	(0.55)	0.00	(0.62)	(0.69)
Net liability as at end of the year	18.25	18.51	14.98	11.25
IV. EXPENSE RECOGNIZED:	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Current Service Cost	3.67	5.56	4.38	11.95
Interest Cost	1.04	1.06	0.76	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change	(4.42)	(3.09)	(0.79)	0.00

in Financial Assumptions and Due to Experience Adjustment				
Expense charged to the Statement of Profit and Loss	<b>0.29</b>	3.53	4.35	<b>11.95</b>
<b>V. BALANCE SHEET RECONCILIATION:</b>	<b>For the Period Ended on December 31, 2023</b>	<b>For the Period Ended on March 31, 2023</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Period Ended on March 31, 2021</b>
Opening net liability	<b>18.51</b>	<b>14.98</b>	<b>11.25</b>	<b>0.00</b>
Expense as above	0.29	3.53	4.35	11.95
Provision Related to Previous Year booked as Prior Period Items	0.00	0.00	0.00	0.00
Return on Plan Assets	0.00	0.00	0.00	0.00
Benefits Paid	(0.55)	0.00	(0.62)	(0.69)
Net liability/(asset) recognized in the balance sheet	<b>18.25</b>	<b>18.51</b>	<b>14.98</b>	<b>11.25</b>

## MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

### 1. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit 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 regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

Particulars	For the Period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> December 2023	For the Period Ending 31 <sup>st</sup> March		
		2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	965.41	514.38	436.73	211.37
<b>Add/(Less) : Adjustments on account of -</b>				
1) Difference on Account of Calculation in Provision for Income Tax	(3.99)	-	0.91	(12.69)
2) Difference on Account of Calculation in Deferred Tax	(4.26)	0.12	0.22	9.17
3) Difference on account of Calculation in Gratuity	18.51	(3.53)	(3.72)	(11.26)
4) Adjustment of Prior Period Items	-	0.03	9.30	14.18
5) Adjustment on account of Prepaid Expenses	(1.05)	2.94	(2.00)	12.99
<b>Total Adjustments (B)</b>	<b>9.21</b>	<b>(0.44)</b>	<b>4.71</b>	<b>12.38</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>974.62</b>	<b>513.94</b>	<b>441.44</b>	<b>223.76</b>

### 3. Notes on Material Adjustments pertaining to prior years

- (1) **Difference on Account of Provision for Current tax:** Since the Restated profit has been changed so that the Provision for current tax is also got changed
- (2) **Difference on Account of Change in Deferred Tax:** Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has been calculated between difference of Depreciation. Further Deferred Tax has been calculated on Timing difference arises due to Provision for Gratuity which was not considered in Audited Financial Statements
- (3) **Difference on Account of Provision for Gratuity:** Provision for Gratuity is provided in Restated Financials Statement which was not provided in Audited Financial Statements

(4) **Difference on Account of Prior Period Items:** Prior Period Items has been transferred to that particular period to which they relate hence difference arises

(5) **Difference on Account of Change in Prepaid Expenses:** Expenses Related to Next Accounting Period is transferred to Prepaid Expenses

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Rs. In Lakhs)

Particulars	For the Period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> December 2023	As at March 31		
		2023	2022	2021
(A) Total Equity as per audited financial statements (A)	3319.49	2,354.08	1,839.70	1,402.51
Add/(Less) : Restatement Adjustments (B)	11.22	2.01	2.46	(1.80)
Total Equity as per Restated Financial Statements (A+B)	3,330.72	2,356.09	1,842.16	1,400.72

**7. Trade Payable Ageing Summary**

**31.12.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	997.90	-	-	-	997.90
(ii) Others	685.45	39.42	10.86	-	735.73
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1683.35</b>	<b>39.42</b>	<b>10.86</b>	<b>-</b>	<b>1733.63</b>

**31.03.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	938.72	-	-	-	938.72
(ii) Others	984.31	48.70	14.31	-	1047.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1923.03</b>	<b>48.70</b>	<b>14.31</b>	<b>-</b>	<b>1986.04</b>

**31.03.2022**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	796.51	-	-	-	796.51
(ii) Others	736.90	-	-	-	736.90
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

<b>Total</b>	<b>1533.41</b>	-	-	-	<b>1533.41</b>
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### 31.03.2021

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	542.94	-	-	-	542.94
(ii) Others	183.68	-	-	-	183.68
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>726.63</b>	-	-	-	<b>726.63</b>

## 8. Trade Receivable Ageing Summary

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>31.12.2023</b>						
(i) Undisputed Trade Receivable – considered good	3056.66	469.80	1117.58	-	-	4644.04
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total 31.12.2023</b>	<b>3056.66</b>	<b>469.80</b>	<b>1117.58</b>	-	-	<b>4644.04</b>
<b>31.03.2023</b>						
(i) Undisputed Trade Receivable – considered good	4379.23	788.28	-	-	-	5167.51
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total 31.03.2023</b>						<b>5167.51</b>
<b>31.03.2022</b>						
(i) Undisputed Trade Receivable – considered good	2540.80	580.48	-	-	-	3121.28
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total 31.03.2022</b>						<b>220.75</b>
<b>31.03.2021</b>						
(i) Undisputed Trade Receivable – considered good	2135.34	639.16	-	-	-	2774.50
(ii) Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable – considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-

considered doubtful						
<b>Total 31.03.2021</b>						<b>2774.50</b>

9. **Restated Statement of Accounting Ratios:**

S. No.	Particular	Numerator	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator					
(a)	Current Ratio	Current Assets	1.85	1.52	1.59	1.72	Reason is not required to be disclosed since movement is not more than 25%.
		Current Liabilities					
(b)	Debt-Equity Ratio	Debt	0.26	0.69	0.56	0.63	Reason is not required to be disclosed since movement is not more than 25%.
		Equity					
(c)	Debt Service Coverage Ratio	Net Operating Income	1.44	0.50	0.62	0.44	The Operating income has been increasing year on year but the Debt has been increased in 2022 and 2023 and decreased in period ending 31 <sup>st</sup> December 2023, thus the change in ratios is justified.
		Total Debt Service					
(d)	Return on Equity Ratio	Profit After Tax	34.28%	24.48%	27.23%	17.27%	This ratio is increased during 2022 due to increased profits and Shareholder's fund. It further decreased in 2023 due to increase in Average shareholder equity getting increased not in the same ratio as profits. Further during period ended December 2023, it got increased due to increased profits.
		Average Shareholders' Equity					
(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	1.84	2.78	3.54	2.39	This ratio is increased in 2022 due to higher sales Volume. Further the same has been decreased during 2023 and period ended December 2023 due to increase in debtor credit period
		Average Trade Receivables					
(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	3.36	5.21	7.54	8.35	This ratio is decreased year on year due to increase in creditor credit period and thus increased Trade Payables.
		Average Trade Payables					

(g)	Net capital turnover ratio (in times)	Turnover	2.95	4.99	5.94	3.90	This ratio is increased in the year 2022 due to Increased Turnover. Further the same has been decreased in 2023 and for the period ended 30 December 2023 due to increase in Working Capital much more than the turnover.
		Net Working Capital					
(h)	Net profit ratio	Profit After Tax	10.82%	4.47%	4.23%	4.10%	Reason is not required to be disclosed since movement is not more than 25%.
		Total Sales					
(i)	Return on Capital employed	Operating Profit	35.48%	22.89%	24.33%	19.24%	This ratio is increased in the year 2022 due to higher Profits. Further the ratio decreased in 2023 with not more than 25%, so no reason required.
		Total Capital Employed					
(j)	Interest Service Coverage Ratio	EBIT	9.32	4.64	7.48	3.78	This ratio is increased in the year 2022 due to higher EBIT. Further the ratio is decreased in 2023 due to increased Interest cost. Further during period ended December 2023, it got increased due to higher EBIT
		Total Interest Service					

**ANNEXURE - A.1 : Restated Statement of Share Capital**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Equity Share Capital</b>				
<b>Authorised Share Capital</b>				
3,00,000 Equity Shares of Rs. 100 Each	300.00	300.00	300.00	300.00
<b>Total</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>	<b>300.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>				
2,32,570 Equity Shares of Rs. 100 Each	232.57	232.57	232.57	232.57
<b>Total</b>	<b>232.57</b>	<b>232.57</b>	<b>232.57</b>	<b>232.57</b>

**A.1.1 Right, Preferences and Restrictions attached to Shares :**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for on vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**Notes :**
**A.1.2 Reconciliation of Number of Shares**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	2,32,570	2,32,570	2,32,570	2,32,570
Shares issued during the year (Rights Issue)	-	-	-	-
Share outstanding at the end of the year	<b>2,32,570</b>	<b>2,32,570</b>	<b>2,32,570</b>	<b>2,32,570</b>

**ANNEXURE – A.2 : Restated Statement of Reserves and Surplus**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Reserves &amp; Surplus</b>				
<b>I. Securities Premium</b>				
Balance as at the beginning of the year	175.43	175.43	175.43	175.43
Addition during the year	-	-	-	-
Issued for Bonus Issue	-	-	-	-
Balance as at the end of the year	<b>175.43</b>	<b>175.43</b>	<b>175.43</b>	<b>175.43</b>
<b>Balance in Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	1,948.10	1,434.16	992.72	783.61
Add: Profit/ (Loss) for the year	974.62	513.94	441.44	223.76
Less : Bonus Shares Issued during the year	-	-	-	-
Less: Registration Exp	-	-	-	0.46
Less: Short/ Excess Provision for Tax for Earlier Years	-	-	-	14.18
Balance as at the end of the year	<b>2,922.72</b>	<b>1,948.10</b>	<b>1,434.16</b>	<b>992.72</b>
<b>Grand Total</b>	<b>3,098.14</b>	<b>2,123.52</b>	<b>1,609.59</b>	<b>1,168.15</b>

Note A.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.3 : Restated Statement of Long Term Borrowings**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Secured:</b>				
From Bank:				
Car Loan				
Term Loan	66.50	85.03	129.54	140.30
<b>Unsecured:</b>				
Loan from Bank/NBFC	72.62	202.93	-	-
Loan from Directors	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>139.12</b>	<b>287.97</b>	<b>129.54</b>	<b>140.30</b>

Note A.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note A.3.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.4 : Restated Statement of Long Term Provisions**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Provision for Gratuity	16.41	17.64	14.26	10.67
<b>Grand Total</b>	<b>16.41</b>	<b>17.64</b>	<b>14.26</b>	<b>10.67</b>

Note A.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.5: Restated Statement of Deferred Tax Assets/(Liabilities) (Net)

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Deferred Tax Liability</b>				
Related to Fixed Assets	-	-	-	-
Loss Carried forward				
<b>Total (a)</b>	-	-	-	-
<b>Deferred Tax Assets</b>				
Related to Fixed Assets	9.74	9.51	9.39	9.17
Loss Carried forward				
<b>Total (b)</b>	<b>9.74</b>	<b>9.51</b>	<b>9.39</b>	<b>9.17</b>
<b>Net deferred tax asset/(liability){(b)-(a)}</b>	<b>9.74</b>	<b>9.51</b>	<b>9.39</b>	<b>9.17</b>

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.6 : Restated Statement of Short Term Borrowings

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Secured:</b>				
From Bank - CC	473.37	905.98	673.92	489.07
Current Maturities of Long Term Debt	29.66	44.50	77.27	71.29
<b>Unsecured:</b>				
Loan from Directors	53.93	220.05	145.38	166.91
Loan from Banks (Current Maturities)	173.70	164.51	-	9.90
Loan from NBFCs (Current maturities)	3.31	0.00	-	-
<b>Total</b>	<b>733.98</b>	<b>1,335.04</b>	<b>896.57</b>	<b>737.17</b>

Note A.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.7 : Restated Statement of Trade Payables

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Trade Payables due to				
- Micro and Small Enterprises	997.90	938.72	796.51	542.95
<b>- Others</b>				
- Promoter/Promoter Group	-	-	-	-
- Others	735.73	1,047.32	736.90	183.68
<b>Total</b>	<b>1,733.63</b>	<b>1,986.04</b>	<b>1,533.41</b>	<b>726.63</b>

Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.8 : Restated Statement of Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Audit Fee Payable	3.00	2.70	2.70	2.70
Maharashtra Labour Welfare Fund	0.03	-	0.02	0.02
Professional Tax	0.18	0.14	0.48	0.02
Statutory Dues	191.75	223.61	71.24	198.91
Expenses Payable	5.44	3.91	1.40	0.14
Deposit	9.54	9.82	0.28	11.61
Director Remuneration & Rent Payable	13.37	63.45	-	0.00
<b>Grand Total</b>	<b>223.31</b>	<b>303.63</b>	<b>76.12</b>	<b>213.40</b>

Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE – A.9 : Restated Statement of Short Term Provisions

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Provision for Income Tax	344.35	191.26	155.45	90.69
Provision for Gratuity	1.84	0.87	0.72	0.59
<b>Grand Total</b>	<b>346.20</b>	<b>192.13</b>	<b>156.16</b>	<b>91.28</b>

Note A.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.11 : Restated Statement of Non Current Investments

(Rs. In Lakhs)

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Fixed Deposits	686.77	449.29	251.68	168.10
<b>Grand Total</b>	<b>686.77</b>	<b>449.29</b>	<b>251.68</b>	<b>168.10</b>

Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in

## ANNEXURE – A.12 : Restated Statement of Non Current Assets

(Rs. In Lakhs)

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Deposits (Tender & Security Deposits)	159.85	151.34	119.15	59.65
<b>Grand Total</b>	<b>159.85</b>	<b>151.34</b>	<b>119.15</b>	<b>59.65</b>

Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in

## ANNEXURE – A.13 : Restated Statement of Inventories

(Rs. In Lakhs)

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
WIP at Site	195.73	309.28	324.07	15.02
<b>Grand Total</b>	<b>195.73</b>	<b>309.28</b>	<b>324.07</b>	<b>15.02</b>

Note A.13.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.14 : Restated Statement of Trade Receivables

(Rs. In Lakhs)

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	-	-	-	-
Others	1,587.38	788.28	580.48	639.16
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.				
Others	3,056.66	4,379.23	2,540.80	2,135.34
<b>Grand Total</b>	<b>4,644.04</b>	<b>5,167.51</b>	<b>3,121.28</b>	<b>2,774.50</b>

Note A.14.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE – A.15 : Restated Statement of Cash and Bank Balances

(Rs. In Lakhs)

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
<b>Cash &amp; Cash Equivalents</b>				
Cash in hand	1.44	2.32	2.37	3.61
<b>Balances with Banks:</b>				
In Current Accounts	131.05	1.97	308.57	6.36
In Deposit Accounts	-	-	-	-
<b>Grand Total</b>	<b>132.49</b>	<b>4.30</b>	<b>310.94</b>	<b>9.97</b>

Note A.15.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C..

**ANNEXURE – A.16 : Restated Statement of Short Term Loans and Advances**

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Advance to Staff	13.37	13.59	12.68	11.38
Others	19.49	50.95	71.90	100.64
<b>Grand Total</b>	<b>32.86</b>	<b>64.54</b>	<b>84.58</b>	<b>112.02</b>

Note A.16.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.17 : Restated Statement of Other Current Assets**

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Statutory receivables	586.83	259.40	382.17	125.44
Prepaid Expenses	12.88	13.93	10.99	12.99
<b>Grand Total</b>	<b>599.72</b>	<b>273.33</b>	<b>393.16</b>	<b>138.42</b>

Note A.17.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.1: Restated Statement of Revenue from Operations**

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Revenue from Operation</b>				
In India	9010.02	10669.36	10007.05	5,457.31
Outside India	0.00	840.21	429.62	-
<b>Grand Total</b>	<b>9010.02</b>	<b>11509.57</b>	<b>10436.67</b>	<b>5457.31</b>

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.2 : Restated Statement of Other Income**

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Duty Drawback claim	-	-	1.26	-
Foreign Exchange Gain	-	14.31	2.04	-
Others	1.50	0.02	6.87	0.54
Interest Income	19.31	17.45	14.83	11.48
Profit on Sale of Car	-	-	-	-
<b>Grand Total</b>	<b>20.81</b>	<b>31.79</b>	<b>25.00</b>	<b>12.01</b>

Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.3 : Restated Statement of Cost of Goods Sold**

(Rs. In Lakhs)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Opening WIP	309.28	324.07	15.02	112.72
Add: Purchases & Direct Exp	6,135.60	9,146.77	8,833.81	4,142.74
Less: Closing WIP	195.73	309.28	324.07	15.02
<b>Grand Total</b>	<b>6,249.15</b>	<b>9,161.56</b>	<b>8,524.76</b>	<b>4,240.44</b>

Note B.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.4 : Restated Statement of Employee Benefit Expense**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Salaries & Wages	375.82	377.82	293.06	172.12
Director's Remuneration	270.00	320.00	316.00	316.00
Employer's Contribution to PF	15.89	12.49	8.50	4.27
Employer's Contribution to ESI	1.06	0.67	0.61	0.38
Staff Welfare	1.45	3.54	4.63	1.86
Other Allowances	10.37	13.17	22.15	12.94
AdminCharges - PF	0.91	0.61	0.80	0.18
Gratuity	0.29	3.53	3.72	11.26
<b>Grand Total</b>	<b>675.79</b>	<b>731.83</b>	<b>649.47</b>	<b>519.01</b>

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.5 : Restated Statement of Office & Admin Expenses**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Electricity Charges	9.14	12.80	9.32	4.47
Internet Charges	1.89	2.64	2.77	2.81
Telephone Exp	0.66	1.01	1.04	1.47
Postage & Courier	1.59	2.05	1.76	0.94
Office Exp	8.73	4.05	3.96	2.43
Insurance	17.73	20.95	17.59	6.16
Printing & Stationery Exp.	14.16	9.58	13.10	8.45
Repairs & Maintenance	17.22	17.42	8.12	8.03
Computer Repairs	0.03	3.13	1.93	2.74
Vehicle Exp	1.47	2.21	3.10	0.80
<b>Grand Total</b>	<b>72.63</b>	<b>75.85</b>	<b>62.71</b>	<b>38.29</b>

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.6 : Restated Statement of Selling & Distribution Expenses**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Marketing Expenses	3.08	0.17	0.03	0.20
Business Promotion	13.75	5.70	19.73	13.42
Portal Support Charges	2.21	0.31	0.05	
Rent Exp.	12.39	11.44	14.91	5.25
Tender fees	0.24	0.41	0.42	1.81
Tour & Travel Exp.	29.49	55.43	27.08	7.04
Lodging & Boarding	9.22	12.00	7.32	1.92
<b>Grand Total</b>	<b>70.39</b>	<b>85.46</b>	<b>69.54</b>	<b>29.64</b>

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.7 : Restated Statement of Finance costs**
**(Rs. In Lakhs)**

Particulars	As at December 31,	As at 31st March		
	2023	2023	2022	2021
Bank Charges	66.69	81.41	29.74	41.40
Interest on CC/OD	51.77	81.29	45.60	61.57
Interest on Late Payment of Statutory Dues	5.17	6.02	8.64	6.69
Interest on Unsecured Loan	35.69	27.30	8.58	6.44
Other Charges	0.79	0.46	0.70	-
<b>Grand Total</b>	<b>160.12</b>	<b>196.48</b>	<b>93.26</b>	<b>116.10</b>

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.8 : Restated Statement of Depreciation & Amortization**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Depreciation	15.64	12.27	11.80	17.00
<b>Grand Total</b>	<b>15.64</b>	<b>12.27</b>	<b>11.80</b>	<b>17.00</b>

Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.9 : Restated Statement of Other Expenses**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
<b>Direct Exp</b>				
Labour Charges	45.36	79.34	91.77	14.34
Transportation Charges	138.38	134.14	67.60	38.38
Site Expenses	88.45	65.53	69.64	43.30
Hiring Charges	53.56	64.08	37.46	4.99
Security Charges	2.52	8.48	-	-
<b>Indirect- Others</b>				
Audit & Certification Fees	3.00	3.06	3.27	3.83
Commission & Brokerage	0.42	0.18	0.29	0.07
Computer Software Exp.	28.24	16.15	7.20	
CSR Exp	-	7.60	-	-
Donations	0.75	18.17	9.47	8.09
Discounts & Difference	0.14	2.48		
License Renewal Charges	0.54	0.59	1.34	0.75
Late Fees - GST	-	0.02	0.04	0.14
Office Rent	35.55	47.40	45.60	24.00
Other Exp	0.34	0.15	0.57	2.17
Professional & Consultancy Charges	66.30	104.12	115.67	59.91
Rates & Taxes	4.43	1.58	3.43	1.09
ROC Exp	0.05	0.46	-	0.04
Travelling Exp.	3.24	22.24	3.96	2.46
<b>Grand Total</b>	<b>471.28</b>	<b>575.76</b>	<b>457.31</b>	<b>203.56</b>

Note B.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.10 : Restated Statement of Deferred Tax (Assets)/Liabilities**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
WDV as per Companies Act, 2013 (A)	62.17	49.45	33.97	33.31
WDV as per Income tax Act, 1961 (B)	82.62	68.71	56.28	58.48
Difference in WDV (A-B)	(20.45)	(19.26)	(22.31)	(25.17)
Timing Difference due to Provision for Gratuity (DTA)	18.25	18.51	14.9793	11.26
Total Timing Difference	(38.71)	(37.77)	(37.29)	(36.43)
Deferred Tax (Asset)/ Liability (C)	(9.74)	(9.51)	(9.39)	(9.17)
Restated Closing Balance of Deferred Tax (Asset)/ Liability	(9.74)	(9.51)	(9.39)	(9.17)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(9.51)	(9.39)	(9.17)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.23)	(0.12)	(0.22)	(9.17)

Note B.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

ANNEXURE – A.10 : Restated Statement of Property, Plant and Equipment

As At 31.12.2023

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2023	Additions	Deletion/Sale	Balance as at 31st December 2023	Balance as at 01st Apr 2023	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st December 2023	Balance as at 01st Apr 2023	Balance as at 31st December 2023
<b>A. Property Plant &amp; Equipment</b>										
Electrical Installations & Equipments	5.62	-	-	5.62	4.69	0.14	-	4.83	0.93	0.79
End User Devices	64.68	8.62	-	73.29	51.46	7.15	-	58.60	13.22	14.69
Furniture & Fixtures	24.75	15.96	-	40.71	11.19	3.97	-	15.15	13.56	25.55
Office Equipments	9.35	2.09	-	11.45	5.41	1.58	-	6.99	3.95	4.46
Plant & Machinery	48.36	-	-	48.36	35.49	1.84	-	37.33	12.87	11.03
Vehicles	27.63	1.69	-	29.32	22.71	0.97	-	23.67	4.92	5.65
<b>Total (A)</b>	<b>180.39</b>	<b>28.36</b>	<b>-</b>	<b>208.75</b>	<b>130.94</b>	<b>15.64</b>	<b>-</b>	<b>146.58</b>	<b>49.45</b>	<b>62.17</b>

As At 31.03.2023

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2022	Additions	Deletion/Sale	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31st March 2023	Balance as at 01st Apr 2022	Balance as at 31st March 2023
<b>A. Property Plant &amp; Equipment</b>										
Electrical Installations & Equipments	5.00	0.62	-	5.62	4.63	0.06	-	4.69	0.37	0.93
End User Devices	54.34	10.34	-	64.68	45.77	5.69	-	51.46	8.57	13.22
Furniture & Fixtures	14.68	10.07	-	24.75	9.39	1.80	-	11.19	5.29	13.56
Office Equipments	5.59	3.77	-	9.35	4.68	0.72	-	5.41	0.91	3.95
Plant & Machinery	48.36	-	-	48.36	32.45	3.04	-	35.49	15.91	12.87
Vehicles	24.67	2.96	-	27.63	21.75	0.95	-	22.71	2.92	4.92
<b>Total (A)</b>	<b>152.64</b>	<b>27.75</b>	<b>-</b>	<b>180.39</b>	<b>118.67</b>	<b>12.27</b>	<b>-</b>	<b>130.94</b>	<b>33.97</b>	<b>49.45</b>

As At 31.03.2022

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2022	Balance as at 01st Apr 2021	Balance as at 31 March 2022
<b>A. Property Plant &amp; Equipment</b>										
Electrical Installations & Equipments	5.00	-	-	5.00	4.56	0.07	-	4.63	0.44	0.37
End User Devices	45.68	8.66	-	54.34	41.25	4.52	-	45.77	4.43	8.57
Furniture & Fixtures	11.94	2.74	-	14.68	7.59	1.80	-	9.39	4.35	5.29
Office Equipments	4.53	1.06	-	5.59	4.30	0.38	-	4.68	0.23	0.91
Plant & Machinery	48.36	-	-	48.36	28.66	3.79	-	32.45	19.70	15.91
Vehicles	24.67	-	-	24.67	20.51	1.24	-	21.75	4.16	2.92
<b>Total (A)</b>	<b>140.18</b>	<b>12.46</b>	<b>-</b>	<b>152.64</b>	<b>106.87</b>	<b>11.80</b>	<b>-</b>	<b>118.67</b>	<b>33.31</b>	<b>33.97</b>

As At 31.03.2021

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
<b>A. Property Plant &amp; Equipment</b>										
Electrical Installations & Equipments	5.00	-	-	5.00	4.21	0.35	-	4.56	0.79	0.44
End User Devices	42.83	2.85	-	45.68	33.19	8.05	-	41.25	9.64	4.43
Furniture & Fixtures	7.96	3.98	-	11.94	5.81	1.78	-	7.59	2.15	4.35
Office Equipments	4.53	-	-	4.53	4.30	-	-	4.30	0.23	0.23
Plant & Machinery	48.36	-	-	48.36	23.66	5.00	0.01	28.66	24.70	19.70
Vehicles	23.54	1.14	-	24.67	18.69	1.82	-	20.51	4.85	4.16
<b>Total (A)</b>	<b>132.22</b>	<b>7.96</b>	<b>-</b>	<b>140.18</b>	<b>89.86</b>	<b>17.00</b>	<b>0.01</b>	<b>106.87</b>	<b>42.35</b>	<b>33.31</b>

**A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Dec-23		31-Mar-23		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mr. Subhash Kamal	1,13,959	49.00%	1,13,959	49.00%	1,13,959	49.00%	1,13,959	49.00%
Mrs. Varsha Kamal	1,18,611	51.00%	1,18,611	51.00%	1,18,611	51.00%	1,18,611	51.00%
<b>Total</b>	<b>2,32,570</b>	<b>100.00%</b>	<b>2,32,570</b>	<b>100.00%</b>	<b>2,32,570</b>	<b>100.00%</b>	<b>2,32,570</b>	<b>100.00%</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

**A.1.5 Shareholding of Promoters**

Name of Promoter	31-Dec-23		31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mr. Subhash Kamal	1,13,959	49.00%	1,13,959	49.00%	1,13,959	49.00%	1,13,959	49.00%
Mrs. Varsha Kamal	1,18,611	51.00%	1,18,611	51.00%	1,18,611	51.00%	1,18,611	51.00%

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

**A.1.6 Change in Shareholding of Promoters**

Name of Promoter	31-Dec-23		31-Mar-22		31-Mar-22		31-Mar-21	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mr. Subhash Kamal	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Mrs. Varsha Kamal	-	0.00%	-	0.00%	-	0.00%	-	0.00%

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.

## ANNEXURE – A.3.2 &amp; A.3.5

## STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS (Amount in Lacs)

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.12.2023
Subhash Kamal	Business	N/A	N/A	N/A	N/A	N/A	28.11
Varsha Kamal	Business	N/A	N/A	N/A	N/A	N/A	25.82
Bajaj Finance Loan	Business	45.59	N/A	16%	84 installments of Rs. 0.33 each	1 month	1.31
Tata Capital Financial Services Ltd.	Business		N/A	16%	N/A	N/A	2.00
HDFC Bank	Business	60	N/A	14.50%	36 Installments of Rs. 2.06 lacs each	N/A	39.69
ICICI Bank	Business	60	N/A	15%	36 installments of Rs. 2.09 each.	N/A	41.59
IDFC Bank	Business	100	N/A	15%	24 installments of Rs. 4.85 each.	2 months	49.54
Kotak Bank	Business	100	N/A	14.50%	24 installments of Rs. 4.82 each.	2 months	49.61
Standard Chartered Bank	Business	100	N/A	15%	36 installments of Rs. 3.47 each.	N/A	65.89
<b>Total</b>		<b>465.59</b>					<b>303.56</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS (Amount in Lacs)

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							31.12.2023
Yes Bank OD # 01568	Business	900.00	1. Residential Flat No. 801, 802, 8th Floor, Building No. 13, Garden Estate Tal & Dist. Thane, Mumbai, Maharashtra - 400609 2. Plot No. B-74, Mitra Sahkari Awas Samiti, Pocket P7, Gautam BUddha Nagar, Greater Noida, UP. 3. Residential Flat No. 2701,2702,2703 & 2704, 27th Floor, Building No. D-2, Juniper, Neelkanth Greens, Thane, Maharashtra, 400610 4. Residential Flat No. 2602,2603, 26th Floor, Building No. D-2, Juniper, Neelkanth Greens, Thane, Maharashtra, 400610 5. Commercial at 6, Vardhaman Complex, LBS Marg, Gokul Marg, Thane, Maharashtra 400601	9.60%	N/A	N/A	176.26
Yes Bank OD # 01621	Business	300.00		9.60%	N/A	N/A	-2.88
Yes Bank TL 1.33 CR - I	Business	41.00		9.25%	36 installments of Rs.3.71 lacs each	12 Months	29.66
Yes Bank TL 66.50 Lacs - II	Business	66.50		9.25%	36 installments of Rs. 0.52 lacs each	12 Months	66.50
YBL Demand Loan	Business	300		9.60%	3 Months Repayment	N/A	300.00
<b>Total</b>		<b>1307.50</b>					<b>569.54</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT**

**1 Material Regrouping**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit 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 regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2. Material Adjustments :**

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For the Period Ended December 31,2023	For The Year Ended March 31,		
		2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	965.41	514.38	436.73	211.37
<b>Add/(Less) : Adjustments on account of -</b>				
1) Difference on Account of Calculation in Provision for Income Tax	(3.99)	-	0.91	(12.69)
2) Difference on Account of Calculation in Deferred Tax	(4.26)	0.12	0.22	9.17
3) Difference on account of Calculation in Gratuity	18.51	(3.53)	(3.72)	(11.26)
4) Adjustment of Prior Period Items	-	0.03	9.30	14.18
5) Adjustment on account of Prepaid Expenses	(1.05)	2.94	(2.00)	12.99
<b>Total Adjustments (B)</b>	<b>9.21</b>	<b>(0.44)</b>	<b>4.71</b>	<b>12.38</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>974.62</b>	<b>513.94</b>	<b>441.44</b>	<b>223.76</b>

**3. Notes on Material Adjustments pertaining to prior years**

**(1) Change in Provision for Current Tax**

Since the Restated profit has been changed so that the Provision for current tax is also got changed

**(2) Difference on Account of Calculation in Deferred Tax**

Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has been calculated between difference of Depreciation. Further Deferred Tax has been calculated on Timing difference arises due to Provision for Gratuity which was not considered in Audited Financial Statements

**(3) Difference on Account of Provision for Gratuity**

Provision for Gratuity is provided in Restated Financials Statement which was not provided in Audited Financial Statements

**(4) Difference on Account of Prior Period Items**

Prior Period Items has been transferred to that particular period to which they relates hence difference arises

**(5) Difference on Account of Prepaid Expenses**

Expenses Related to Next Account Period are transferred to Prepaid Expenses, so that the differences arises

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

Particulars	For the Period Ended December 31,2023	For The Year Ended March 31,		
		2023	2022	2021
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	3319.49	2,354.08	1,839.70	1,402.51
Add/(Less) : Adjustments on account of change in Profit/Loss	11.22	2.01	2.46	(1.80)
<b>Total Adjustments (B)</b>	<b>11.22</b>	<b>2.01</b>	<b>2.46</b>	<b>(1.80)</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>3,330.72</b>	<b>2,356.09</b>	<b>1,842.16</b>	<b>1,400.72</b>

**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

Sr. No	Particulars	As at December 31, 2023	As at 31st March		
			2023	2022	2021
<b>A</b>	<b>Restated Profit before tax</b>	1,315.82	702.15	592.81	305.28
	Short Term Capital Gain at special rate		-	-	-
	Normal Corporate Tax Rates (%)	25.17%	25.17%	25.17%	25.17%
	Short Term Capital Gain at special rate	-	-	-	-
	MAT Tax Rates (%)	15.60%	15.60%	15.60%	15.60%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	331.17	176.72	149.20	76.83
	Short Term Capital Gain at special rate	-	-	-	-
	<b>Total</b>	<b>331.17</b>	<b>176.72</b>	<b>149.20</b>	<b>76.83</b>
	<b>Adjustments:</b>				
<b>C</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	-	-		
	Exempt Income	-	-	-	-
	Allowance of Expenses under the Income Tax Act Section 35	-	-	0.45	-
	Disallowance of Income under the Income Tax Act	-	0.02	6.87	-
	Disallowance of Expenses under the Income Tax Act	-	26.20	9.70	9.86
	<b>Total Permanent Differences</b>	<b>-</b>	<b>26.18</b>	<b>2.38</b>	<b>9.86</b>
<b>D</b>	<b>Timing Differences</b>				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	2.46	(3.05)	(2.85)	1.34
	Provision for Gratuity disallowed	0.29	3.53	3.72	11.26
	Carried Forward of Previous Year Business Loss	-	-	-	-
	<b>Total Timing Differences</b>	<b>2.76</b>	<b>0.48</b>	<b>0.87</b>	<b>12.60</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>2.76</b>	<b>26.66</b>	<b>3.25</b>	<b>22.46</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>0.69</b>	<b>6.71</b>	<b>0.82</b>	<b>5.65</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>1,318.58</b>	<b>728.81</b>	<b>596.07</b>	<b>327.74</b>
	Taxable Income/ (Loss) as per MAT	1,315.82	702.15	592.81	305.28
<b>I</b>	<b>Income Tax as per normal provision</b>	331.86	183.43	150.02	82.49
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	205.27	109.54	92.48	47.62
	<b>Net Tax Expenses (Higher of I,J)</b>	331.86	183.43	150.02	82.49
<b>K</b>	Relief u/s 90/91			-	-
	<b>Total Current Tax Expenses</b>	<b>331.86</b>	<b>183.43</b>	<b>150.02</b>	<b>82.49</b>
<b>L</b>	Adjustment for Interest on income tax/ others	9.58	5.81	1.57	8.21
	<b>Total Current Tax Expenses</b>	<b>341.44</b>	<b>189.23</b>	<b>151.59</b>	<b>90.69</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE - G : RESTATED STATEMENT OF CAPITALISATION**

**(Rs. In Lakhs)**

<b>Sr. No</b>	<b>Particulars</b>	<b>Pre issue</b>	<b>Post issue</b>
	<b>Debts</b>		
A	Long Term Debt*	139.12	139.12
B	Short Term Debt*	733.98	733.98
C	<b>Total Debt</b>	<b>873.10</b>	<b>873.10</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	232.57	[•]
	Reserves and Surplus	3,098.14	
D	<b>Total Equity</b>	<b>3,330.71</b>	
	Long Term Debt/ Equity Ratio (A/D)	0.04	
	Total Debt/ Equity Ratio (C/D)	0.26	
Notes :			

\* The amounts are consider as outstanding as on 31.12.2023

Post Issue figures are not available since issue price is not yet finalized

**ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES**
**(Rs. In Lakhs)**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	2,634.12	1,728.92	586.64	682.88
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
5. ESIC Demand	-	-	-	-
<b>Total</b>	<b>2,634.12</b>	<b>1,728.92</b>	<b>586.64</b>	<b>682.88</b>

**ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS**

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Restated PAT as per P& L Account (Rs. in Lakhs)	974.62	513.94	441.44	223.76
<b>EBITDA</b>	<b>1,491.58</b>	<b>910.90</b>	<b>697.87</b>	<b>438.38</b>
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	<b>2,32,570</b>	<b>2,32,570</b>	<b>2,32,570</b>	<b>2,32,570</b>
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	1,78,30,367	1,78,30,367	1,78,30,367	1,78,30,367
Net Worth	3330.71	2356.09	1842.16	1400.72
Current Assets	5604.83	5818.95	4234.03	3049.94
Current Liabilities	3037.12	3816.84	2662.26	1768.49
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus & Split)	419.07	220.98	189.81	96.21
Eps (Post Bonus & Split & Split)	5.47	2.88	2.48	1.25
<b>Return on Networth</b>	<b>29.26%</b>	<b>21.81%</b>	<b>23.96%</b>	<b>15.97%</b>
<b>Net Asset Value Per Share</b>				
Pre Bonus & Split	1432.13	1013.07	792.09	602.28
Post Bonus & Split	18.68	13.21	10.33	7.86
<b>Current Ratio</b>	<b>1.85</b>	<b>1.52</b>	<b>1.59</b>	<b>1.72</b>
<b>EBITDA</b>	<b>1,491.58</b>	<b>910.90</b>	<b>697.87</b>	<b>438.38</b>
Nominal Value per Equity share(Rs.)	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

Notes :

- 1) The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

**ANNEXURE - J(i) : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES**

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

**i. List of Related Parties and Nature of Relationship :**

<b>Particulars</b>	<b>Name of Related Parties</b>
a) Key Management Personnel's	Subhash Ramavtar Kamal
	Varsha Subhash Kamal
b) Relative of KMP	Shraddesh Subhash Kamal
	Shravani Subhash Kamal
c) Sister Concern	Aireff Detox Inc.
<b>Note 1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.	

ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Name of Related Parties	As at December 31, 2023	As at March 31		
			2023	2022	2021
<b>1. Directors Remuneration</b>	Subhash Ramavtar Kamal	135.00	160.00	158.00	158.00
	Varsha Subhash Kamal	135.00	160.00	158.00	158.00
	<b>Total</b>	<b>270.00</b>	<b>320.00</b>	<b>316.00</b>	<b>316.00</b>
<b>2. Rent</b>	Subhash Ramavtar Kamal	10.35	13.80	12.90	12.00
	Varsha Subhash Kamal	10.35	13.80	12.90	12.00
	Aireff Detox Inc.	14.85	19.80	19.80	-
	<b>Total</b>	<b>35.55</b>	<b>47.40</b>	<b>45.60</b>	<b>24.00</b>
<b>3. Professional Fee</b>	Shraddesh Subhash Kamal	-	-	-	18.00
	Shravani Subhash Kamal	-	1.11	-	-
<b>4. Unsecured Loan</b>	<b>Subhash Ramavtar Kamal</b>				
	Opening Balance	100.66	93.46	100.77	6.53
	Add: Loan Received During the Year	183.23	182.50	61.61	212.40
	Less: Loan Repaid During the year	255.77	175.31	68.92	118.16
	Closing Balance	<b>28.11</b>	<b>100.66</b>	<b>93.46</b>	<b>100.77</b>
	<b>Varsha Kamal</b>				
	Opening Balance	119.40	51.92	66.14	<b>56.68</b>
	Add: Loan Received During the Year	177.63	222.65	86.81	152.59
	Less: Loan Repaid During the year	271.21	155.17	101.03	143.12
	Closing Balance	<b>25.82</b>	<b>119.40</b>	<b>51.92</b>	<b>66.14</b>
<b>5. Loans &amp; Advances</b>	<b>Shubha Kamal</b>				
	Opening Balance	-	4.00	4.00	4.00
	Add: Loan given During the Year	-	-	-	-
	Less: Loan received back During the year	-	4.00	-	-
	Closing Balance	-	-	<b>4.00</b>	<b>4.00</b>
	<b>Sudhir Kamal</b>				
	Opening Balance	21.60	17.00	17.00	-
	Add: Loan given During the Year	-	4.60	-	17.00
	Less: Loan received back During the year	21.60	-	-	-
	Closing Balance	-	<b>21.60</b>	<b>17.00</b>	<b>17.00</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - J(iii) - Outstanding Balance as at the end of the year					
(Rs. In Lakhs)					
	Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
1. Payable	Subhash Ramavtar Kamal	28.11	100.66	93.46	100.77
	Varsha Subhash Kamal	25.82	119.40	51.92	66.14
	Aireff Detox Inc.	13.37	-	-	-
<b>Total</b>		<b>67.30</b>	<b>220.05</b>	<b>145.38</b>	<b>166.91</b>
	Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
2. Receivables	Shubha Kamal	-	-	4.00	4.00
	Sudhir Kamal	-	21.60	17.00	17.00
<b>Total</b>		<b>-</b>	<b>21.60</b>	<b>21.00</b>	<b>21.00</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## OTHER FINANCIAL INFORMATION

### ANNEXURE - I: RESTATED STATEMENT OF ACCOUNTING RATIOS

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations, as derived from the Restated Financial Statements, are given below:

(₹ in Lakhs except the percentage % data)

Particulars	As at December 31, 2023	As at 31st March		
		2023	2022	2021
Restated PAT as per P & L Account	974.62	513.94	441.44	223.76
<b>EBITDA</b>	1,491.58	910.90	697.87	438.38
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	2,32,570	2,32,570	2,32,570	2,32,570
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	1,78,30,367	1,78,30,367	1,78,30,367	1,78,30,367
Net Worth	3330.71	2356.09	1842.16	1400.72
Current Assets	5604.83	5818.95	4234.03	3049.94
Current Liabilities	3037.12	3816.84	2662.26	1768.48
<b>Earnings Per Share</b>				
Basic EPS (Pre-Bonus)	419.07	220.98	189.81	96.21
Eps (Post Bonus & Split)	5.47	2.88	2.48	1.25
<b>Return on Networth</b>	29.26%	21.81%	23.96%	15.97%
<b>Net Asset Value Per Share</b>				
Pre-Bonus	1432.13	1013.07	792.09	602.28
Post Bonus	18.68	13.21	10.33	7.86
<b>Current Ratio</b>	1.85	1.52	1.59	1.72
<b>EBITDA</b>	1,491.58	910.90	697.87	438.38
Nominal Value per Equity share (Rs.)	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

#### Notes:

- 1) The ratios have been calculated as below:
  - a) *Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.*
  - b) *Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.*
  - c) *Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100*
  - d) *Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.*
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

## CAPITALISATION STATEMENT

### ANNEXURE - G: RESTATED STATEMENT OF CAPITALISATION

The following table sets forth our capitalisation derived from our Restated Financial Statements as at December 31, 2023, and as adjusted for the offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Restated Financial Information*” and “*Risk Factors*” on pages 173, 170, and 27, respectively of this Draft Red Herring Prospectus.

(₹ in Lakhs)

Sr. No	Particulars	Pre offer	Post offer
	<b>Debts</b>		
A	Long Term Debt*	139.12	139.12
B	Short Term Debt*	733.98	733.98
C	<b>Total Debt</b>	873.10	873.10
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	232.57	[•]
	Reserves and Surplus	3,098.14	
D	<b>Total Equity</b>	3,330.71	
	Long Term Debt/ Equity Ratio (A/D)	0.04	
	Total Debt/ Equity Ratio (C/D)	0.26	
<b>Notes:</b>			
* The amounts are considered as outstanding as on 31.12.2023			
Post offer figures are not available since offer price is not yet finalized			

## FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on December 31, 2023:

(₹ in Lakhs)

Nature of Borrowing	Amount
Secured Borrowings	569.54
Unsecured Borrowings	303.56
<b>Total</b>	<b>873.10</b>

### DETAILS OF SECURED BORROWINGS\*:

(₹ in Lakhs)

Name of Lender	Purpose	Sanctioned Amount	Outstanding amount as on 31.12.2023	Securities offered	Terms & Condition
Yes Bank OD # 01568	Business	900.00	176.26	1. Residential Flat No. 801, 802, 8th Floor, Building No. 13, Garden Estate Tal & Dist. Thane - 400609, Maharashtra.	<b>Rate of Interest:</b> 9.60% <b>Re-Payment Schedule:</b> NA <b>Moratorium:</b> NA
Yes Bank OD # 01621	Business	300.00	-2.88	2. Residential Flat No. 2701,2702,2703 & 2704, 27th Floor, Building No. D-2, Juniper, Neelkanth Greens, Thane - 400610, Maharashtra.	<b>Rate of Interest:</b> 9.60% <b>Re-Payment Schedule:</b> NA <b>Moratorium:</b> NA
Yes Bank TL 1.33 CR - I	Business	41.00	29.66	3. Residential Flat No. 2602,2603, 26th Floor, Building No. D-2, Juniper, Neelkanth Greens, Thane - 400610, Maharashtra.	<b>Rate of Interest:</b> 9.25% <b>Re-Payment Schedule:</b> 36 Installments of Rs.3.71 Lakhs each. <b>Moratorium:</b> 12 Months
Yes Bank TL 66.50 Lacs - II	Business	66.50	66.50	4. Commercial at 6, Vardhaman Complex, LBS Marg, Gokul Marg, Thane - 400601, Maharashtra.	<b>Rate of Interest:</b> 9.25% <b>Re-Payment Schedule:</b> 36 Installments of Rs. 0.52 Lakhs each. <b>Moratorium:</b> 12 Months
YBL Demand Loan	Business	300	300.00	5. Fixed Deposit of INR 212 Lakhs is lien marked as security cover.	<b>Rate of Interest:</b> 9.60% <b>Re-Payment Schedule:</b> 3 Months Repayment <b>Moratorium:</b> NA
<b>Total</b>		<b>1307.50</b>	<b>569.54</b>		

\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 06, 2024.

**DETAILS OF UNSECURED BORROWINGS\*:***(₹ in Lakhs)*

Name of Lender	Purpose	Sanctioned Amount	Outstanding amount as on 31.12.2023	Re-Payment Schedule	Rate of Interest	Moratorium
Mr. Subhash Kamal	Business	NA	28.11	NA	NA	NA
Ms. Varsha Kamal	Business	NA	25.82	NA	NA	NA
Bajaj Finance Loan	Business	45.59	1.31	84 Installments of Rs. 0.33 each	16%	1 month
Tata Capital Financial Services Limited	Business	---	2.00	NA	16%	NA
HDFC Bank	Business	60	39.69	36 Installments of Rs. 2.06 lacs each	14.50%	NA
ICICI Bank	Business	60	41.59	36 Installments of Rs. 2.09 each.	15%	NA
IDFC Bank	Business	100	49.54	24 Installments of Rs. 4.85 each.	15%	2 months
Kotak Bank	Business	100	49.61	24 Installments of Rs. 4.82 each.	14.50%	2 months
Standard Chartered Bank	Business	100	65.89	36 Installments of Rs. 3.47 each.	15%	NA
<b>Total</b>		<b>465.59</b>	<b>303.56</b>			

*\*As certified by M/s. Gor & Savla, Chartered Accountants, by way of their certificate dated May 06 2024.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations for the period ended on December 31, 2023 and for the Fiscal Years 2023, 2022, and 2021 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page 170 of this Draft Red Herring Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with AS.*

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page 27 of this Draft Red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Effwa Infra & Research Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for the period ended on December 31, 2023 and for the Financial Years 2023, 2022, and 2021 included in this Draft Red Herring Prospectus beginning on page 170 of this Draft Red Herring Prospectus.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our company, "**Effwa Infra & Research Limited**", ("**EIRL**") is engaged in the business of engineering, consultancy, procurement, construction and integrated project management services in water pollution control, encompassing sewage and industrial effluent treatment, solid waste treatment and disposal, ventilation systems, hazardous waste management, and water treatment plants. Additionally, we specialize in hazardous waste incineration. We also function as consultants and advisors, providing a range of services encompassing project organization, management, equipment procurement, funding, and project execution. Our expertise spans the entire project lifecycle, from registration and design to implementation, supervision, and finalizing contract terms.

Our company "**EIRL**" is ISO 9001:2015 Certified focussing on Engineering, Procurement, Construction, Commissioning, Operation & Maintenance Services for Effluent and Sewage Treatment with Recycling, Water Treatment, Integrated Municipal Solid Waste Management, Hazardous Waste Incineration & Bioremediation of Lakes. Our Company also offers end-to-end project management solutions towards environmental preservation. Our focus lies in ensuring environmentally friendly waste processing practices, including Effluent Treatment Plant management (ETP), Sewage Treatment and Reclamation (STP), Water Treatment and Distribution (WTP) and Hazardous Waste Management.

Our company has acquired the running business of M/s. Effwa Infra & Research, a Partnership firm of our promoters, Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal vide Take Over Agreement dated July 10, 2014 entered by and between our promoter and our company.

Our Company works on the concept revolving around 4R i.e., Reducing, Recycling, Reusing and Rehabilitation to provide technological solutions for a range of industries, thus, enabling them to achieve Zero Liquid Discharge through recovery and recycling of water from effluent streams. We cater to the following industries such as textile, leather, paper, food processing, dairy, chemicals, dyes and intermediates, steel, mining, power, pharmaceutical and bulk drugs, sugar, distilleries, fertilizers, pesticides, ceramics, petrochemicals, and many others. Furthermore, our emphasis on achieving ZLD demonstrates a commitment to minimizing environmental impact and maximizing resource efficiency, which can be attractive to environmentally conscious businesses and regulatory bodies.

Our company EIRL offers comprehensive services across various industries and sectors, covering the entire project lifecycle from "**concept to commissioning**". Our services include the preparation of project feasibility reports, technology selection, project management, process design, basic and detailed engineering, procurement, inspection, supply chain management, cost engineering, planning and scheduling, facilitation of statutory and regulatory approvals for Indian projects,

construction management, and commissioning. Additionally, we provide services such as equipment design, environmental engineering services, materials and maintenance services, plant operation, and safety services.

We acquire projects through transparent competitive bidding process undertaken by the state government institution, central governments institution, public sector undertakings and other private institution. We participate in tenders for projects for Effluent Treatment Plant, Sewage Treatment Plant and Reclamation, Industrial Wastewater Treatment and Distribution, with ZLD (Zero Liquid Discharge) System.

The infrastructure for water management project includes designing of project, construction, procurement of raw materials which includes installation of jack wells including pump houses, laying of pipeline, electro-mechanic works, on-site execution with overall project management until the commissioning of projects. Post commissioning, we also provide operations and maintenance services for the projects for a certain period of time (typically, ranging from three to five years). We also have a separate AMC team personnel who are focused on operations and maintenance of completed projects of our Company.

Our company operates in the Domestic Market as well as International Market, across Eight States including a Special Economic Zone. These regions include Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra, Odisha, West Bengal, Madhya Pradesh, Rajasthan, and the Special Economic Zone includes Adani Port based on sales made for the period ended December 31, 2023 and for the financial year March 31, 2023, 2022 and 2021.

Our company is promoted by Mr. Subhash Ramavtar Kamal and Dr. Varsha Subhash Kamal, who collectively possess more than a two decades of experience in the water and wastewater treatment industry, respectively. Their vision and growth strategies influence our company, enabling us to anticipate, guide, manage, develop, and control major aspects of our business operations, as well as leverage customer relationships, for further details, please see the chapter titled, “*Our Management*” and “*Our Promoter and Promoter Group*” on page 150 and 164 of this Draft Red Herring Prospectus. We attribute our success to their sustained efforts over the years in key areas of our business, including project management, process improvements and the expansion of our operational scale. We believe that the collective experience of our management team, coupled with their deep understanding of industry dynamics, regulatory affairs, sales, marketing, and finance, positions us to capitalize on current and future market opportunities.

Our primary focus is to strengthen our prospects in executing Effluent Treatment Plant with Recycling, Effluent Treatment Plant with Zero Liquid Discharge System and Sewage Treatment Plant Projects. We have started with 3 MLD size of project & increased our capacity to 135 MLD. Our Company has proven its execution capabilities in large EPC contracts such as the construction of a 135 MLD plant for water treatment at Odisha for the Sukinda Mine Plant. The average period for the execution for EPC projects is between 18 to 24 months. The average period for execution varies between one year and five years for O&M projects.

Our company has successfully completed over 45 water management infrastructure projects as on December 31, 2023, catering to a diverse clientele including public sector undertakings (PSUs), municipal corporations, state governments, and private enterprises. Over the years, we have cultivated a specialized team comprising 12 engineers dedicated to the design, engineering, and construction of Wastewater Treatment & Recycling Systems, focusing on Zero Liquid Discharge system with conveyance systems for secondary treated sewage water and fresh water. In addition to our design team, we have a workforce of 76 engineers spanning Civil, Mechanical, and Electrical Instrumentation & Automation, Piping, Safety & Quality Control Disciplines, tasked with the seamless execution of projects. Recognizing the importance of adhering to stringent compliance and quality standards mandated by government agencies, we collaborate with third-party consultants and industry experts as needed, ensuring that our projects meet regulatory requirements.

### **Key Performance Indicators of our Company.**

#### **As per Restated Financial Statements**

(₹ in Lakhs, otherwise mentioned)

<b>Key Financial Performance</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Revenue from Operations <sup>(1)</sup>	9,010.02	11,509.57	10,436.67	5,457.31
EBITDA <sup>(2)</sup>	1,491.58	910.90	697.87	438.38
EBITDA Margin (%) <sup>(3)</sup>	16.55%	7.91%	6.69%	8.03%
PAT	974.62	513.94	441.44	223.76
PAT Margin (%) <sup>(4)</sup>	10.82%	4.47%	4.23%	4.10%
Return on equity (%) <sup>(5)</sup>	34.28%	24.48%	27.23%	17.27%
Return on capital employed (%) <sup>(6)</sup>	35.48%	22.89%	24.33%	19.24%
Debt-Equity Ratio (times) <sup>(7)</sup>	0.26	0.69	0.56	0.63
Net fixed asset turnover ratio (times) <sup>(8)</sup>	144.92	232.75	307.25	163.84

<b>Key Financial Performance</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Current Ratio (times) <sup>(9)</sup>	1.85	1.52	1.59	1.72
<b>Revenue split between domestic and exports</b>				
In India (Including SEZ)	9,010.02	1,0669.36	10,007.05	5,457.31
Outside India	0.00	840.21	429.62	-
Domestic Market (%)	100.00	92.70	95.88	100.00
Export Market (%)	-	7.30%	4.12%	-

\*As certified by M/s. AY & Co, Chartered Accountants, by way of their certificate dated May 06, 2024.

**Notes:**

- 1) Revenue from operation means revenue from sale of our products
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs – Other Income
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- 5) Return on Equity is calculated by comparing the proportion of net income against the amount of average shareholder equity
- 6) Earnings before interest and taxes (EBIT) / Capital employed
- 7) Debt to Equity ratio is calculated as Total Debt divided by equity
- 8) Revenue from operation/Net fixed Asset
- 9) Current Ratio is calculated by dividing Current Assets to Current Liabilities

**SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2023**

In the opinion of the Board of Directors of our Company, since the date of the stub period as disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

1. Split/Sub-division of the equity shares of our company from face value of ₹100/- each to ₹10/- each on January 16, 2024
2. The board of our company has approved to increase the authorised share capital in the board meeting held on January 11, 2024.
3. The board of our company has approved to capitalisation of Reserve & Surplus through issuance of bonus shares in the ratio of capital in the board meeting held on February 15, 2024.
4. The status of the Company was changed to public limited and the name of our Company was changed to “Effwa Infra & Research Limited” vide Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting of our Company held on March 05, 2024. The fresh certificate of incorporation consequent to conversion was issued on May 02, 2024 by Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Centralised Processing Centre.
5. The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the EOGM held on May 03, 2024.

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**A. COMPANY INFORMATION**

Our Company was originally formed as a Private Limited under the provisions of The Companies Act, 2013 in the name and style of “Effwa Infra & Research Private Limited” pursuant to certificate of incorporation was issued by the Registrar of Companies, Maharashtra on January 6, 2014. Effwa Infra & Research Private Limited was thereafter converted to a Public Limited Company under Part I chapter XXI of the Companies Act, 2013 with the name and style of “Effwa Infra & Research Limited” and received a Certificate of Incorporation from the Registrar of Companies, Maharashtra dated May 2, 2024. The Corporate Identity Number of our Company is U90001MH2014PLC251793.

**SIGNIFICANT ACCOUNTING POLICIES:**

**1. Accounting Convention**

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 or 2001 as may be applicable and with the relevant provisions of the Companies Act, 2013 and rules made there under.

## **2. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

## **3. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective t on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

## **4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition /deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

As per (AS) 2, The inventories are physically verified at regular intervals by the management. Raw Material Inventories are valued at the lower of cost and net realizable value.

Finished goods, Stock-in-Trade and Work-in-Progress are valued at lower of cost and net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Consumable stores and spares are valued at the lower of cost and net realizable value, as estimated by the management. Obsolete, defective, unserviceable and slow/non-moving stocks are duly provided for.

## **8. Revenue Recognition**

Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like Sales Tax And/ Or Goods & Service Tax.

### **Sale of Goods**

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyer, which generally coincide with the delivery of goods to the customers. The Company collects Goods and Service Tax (GST) and / or Tax Collected at source on behalf of the government and, therefore, these do not form a part of economic benefits flowing to the Company.

Hence, they are excluded from revenue.

### **Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### **Service Income**

Income from service rendered is recognised based on the terms of the agreements as and when services are rendered and are net of Goods and Service Tax (GST)/ Service tax.

### **Dividend Income**

Dividend income from investments, if any, is accounted on the receipt basis.

### **Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized/accrued.

## 11. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## 12. Foreign Currency Translation

- Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## 13. Provision, 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.

## B. NOTES ON ACCOUNTS

- The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### 2. Segment Reporting

The Company at present is engaged in the Business of providing effluent treatment and recycling, sewage treatment and recycling, water treatment and distribution, restoration of water bodies, hazardous waste incineration etc. In view of above, primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS –17 are not applicable to the Company.

### 3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on December 31, 2023, March 31, 2023, March 31, 2022 & March 31, 2021 except as mentioned in Annexure-H, for any of the years/ stub period covered by the statements.

### 4. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006 or 2001 as may be applicable, as amended, in the Annexure – J of the enclosed financial statements.

### 5. Accounting for Deferred Taxes on Income (AS 22)

(₹ in lakhs)

Particulars	For the Period from 1 <sup>st</sup> April to 31 <sup>st</sup> December 2023	As at 31st March		
		2023	2022	2021
WDV as per Companies Act, 2013 (A)	62.17	49.45	33.97	33.31
WDV as per Income tax Act, 1961 (B)	82.62	68.71	56.28	58.48
Difference in WDV (A-B)	(20.45)	(19.26)	(22.31)	(25.17)
Timing Difference due to Provision for Gratuity (DTA) (C)	18.25	18.51	14.9793	11.26
Total Timing Difference (D)	(38.71)	(37.77)	(37.29)	(36.43)
Deferred Tax (Asset)/ Liability (E)	(9.74)	(9.51)	(9.39)	(9.17)
Restated Closing Balance of Deferred Tax (Asset)/ Liability (E)	(9.74)	(9.51)	(9.39)	(9.17)

Particulars	For the Period from 1 <sup>st</sup> April to 31 <sup>st</sup> December 2023	As at 31st March		
		2023	2022	2021
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(9.51)	(9.39)	(9.17)	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.23)	(0.12)	(0.22)	(9.17)

6. **Post Employment Benefits:** The Company has valued its obligations related to Gratuity as follows:

(₹ in lakhs)

I. ASSUMPTIONS	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Discount Rate	7.25%	7.50%	7.10%	6.25%
Expected Rate of Salary Increase	6.00%	6.00%	6.00%	6.00%
Withdrawal Rate	10.00%	10.00%	10.00%	10.00%
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Retirement	60 Years	60 Years	60 Years	60 Years
II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Defined Benefit Obligation at beginning of the year	18.51	14.98	11.25	0.00
Current Service Cost	3.67	5.56	4.38	11.95
Interest cost	1.04	1.06	0.76	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(4.42)	(3.09)	(0.79)	0.00
Actuarial (Gains)/Losses on Obligations - Due to Experience Adjustment	0.00	0.00	0.00	0.00
Benefits Paid	(0.55)	0.00	(0.62)	(0.69)
<b>Defined Benefit Obligation as at end of the year</b>	<b>18.25</b>	<b>18.51</b>	<b>14.98</b>	<b>11.25</b>
III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Net liability as at beginning of the year	18.51	14.98	11.25	0.00
Net expense recognized in the Statement of Profit and Loss	0.29	3.53	4.35	11.95
Benefits Paid	(0.55)	0.00	(0.62)	(0.69)
<b>Net liability as at end of the year</b>	<b>18.25</b>	<b>18.51</b>	<b>14.98</b>	<b>11.25</b>
IV. EXPENSE RECOGNIZED:	For the Period Ended on December 31, 2023	For the Period Ended on March 31, 2023	For the Period Ended on March 31, 2022	For the Period Ended on March 31, 2021
Current Service Cost	3.67	5.56	4.38	11.95
Interest Cost	1.04	1.06	0.76	0.00
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions and Due to Experience Adjustment	(4.42)	(3.09)	(0.79)	0.00
<b>Expense charged to the Statement of Profit and Loss</b>	<b>0.29</b>	<b>3.53</b>	<b>4.35</b>	<b>11.95</b>
V. BALANCE SHEET RECONCILIATION:	For the Period Ended	For the Period	For the Period Ended	For the Period Ended

	on December 31, 2023	Ended on March 31, 2023	on March 31, 2022	on March 31, 2021
Opening net liability	18.51	14.98	11.25	0.00
Expense as above	0.29	3.53	4.35	11.95
Provision Related to Previous Year booked as Prior Period Items	0.00	0.00	0.00	0.00
Return on Plan Assets	0.00	0.00	0.00	0.00
Benefits Paid	(0.55)	0.00	(0.62)	(0.69)
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>18.25</b>	<b>18.51</b>	<b>14.98</b>	<b>11.25</b>

## MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

### 1. Material Regrouping:

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit 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 regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Financial Statements for the respective period/years and its impact on the profit/ (loss) of the Company is as follows:

(₹ in lakhs)

Particulars	For the Period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> December 2023	For the Period Ending 31 <sup>st</sup> March		
		2023	2022	2021
<b>(A) Net Profits as per audited financial statements (A)</b>	965.41	514.38	436.73	211.37
<b>Add/(Less): Adjustments on account of -</b>				
1) Difference on Account of Calculation in Provision for Income Tax	(3.99)	-	0.91	(12.69)
2) Difference on Account of Calculation in Deferred Tax	(4.26)	0.12	0.22	9.17
3) Difference on account of Calculation in Gratuity	18.51	(3.53)	(3.72)	(11.26)
4) Adjustment of Prior Period Items	-	0.03	9.30	14.18
5) Adjustment on account of Prepaid Expenses	(1.05)	2.94	(2.00)	12.99
<b>Total Adjustments (B)</b>	<b>9.21</b>	<b>(0.44)</b>	<b>4.71</b>	<b>12.38</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>974.62</b>	<b>513.94</b>	<b>441.44</b>	<b>223.76</b>

### 3. Notes on Material Adjustments pertaining to prior years

- (1) Difference on Account of Provision for Current tax:** Since the Restated profit has been changed so that the Provision for current tax is also got changed
- (2) Difference on Account of Change in Deferred Tax:** Deferred tax is calculated on the difference of WDV as per Companies Act & income tax Act in Restated financials but in Audited financials the same has been calculated between difference of Depreciation. Further Deferred Tax has been calculated on Timing difference arises due to Provision for Gratuity which was not considered in Audited Financial Statements
- (3) Difference on Account of Provision for Gratuity:** Provision for Gratuity is provided in Restated Financials Statement which was not provided in Audited Financial Statements
- (4) Difference on Account of Prior Period Items:** Prior Period Items has been transferred to that particular period to which they relate hence difference arises

(5) **Difference on Account of Change in Prepaid Expenses:** Expenses Related to Next Accounting Period is transferred to Prepaid Expenses

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(₹ in lakhs)

Particulars	For the Period from 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> December 2023	As at March 31		
		2023	2022	2021
(A) Total Equity as per audited financial statements (A)	3319.49	2,354.08	1,839.70	1,402.51
Add/(Less): Restatement in Profit/Loss	11.22	2.01	2.46	(1.80)
<b>Total Adjustments (B)</b>	<b>11.22</b>	<b>2.01</b>	<b>2.46</b>	<b>(1.80)</b>
Total Equity as per Restated Financial Statements (A+B)	3,330.72	2,356.09	1,842.16	1,400.72

**7. Trade Payable Ageing Summary**

**31.12.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	997.90	-	-	-	997.90
(ii) Others	685.45	39.42	10.86	-	735.73
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1683.35</b>	<b>39.42</b>	<b>10.86</b>	<b>-</b>	<b>1733.63</b>

**31.03.2023**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	938.72	-	-	-	938.72
(ii) Others	984.31	48.70	14.31	-	1047.32
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1923.03</b>	<b>48.70</b>	<b>14.31</b>	<b>-</b>	<b>1986.04</b>

**31.03.2022**

Particulars	Outstanding for following periods from due date of payment / Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	796.51	-	-	-	796.51
(ii) Others	736.90	-	-	-	736.90
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>1533.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1533.41</b>

**8. Trade Receivable Ageing Summary**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>31.12.2023</b>						
Undisputed Trade Receivable – considered good	3056.66	469.80	1117.58	-	-	4644.04
Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade Receivable – considered good	-	-	-	-	-	-
Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>3056.66</b>	<b>469.80</b>	<b>1117.58</b>	<b>-</b>	<b>-</b>	<b>4644.04</b>
<b>31.03.2023</b>						
Undisputed Trade Receivable – considered good	4379.23	788.28	-	-	-	5167.51
Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
Disputed Trade Receivable – considered good	-	-	-	-	-	-
Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total</b>						<b>5167.51</b>
<b>31.03.2022</b>						
Undisputed Trade Receivable – considered good	2540.80	580.48	-	-	-	3121.28
Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
Disputed Trade Receivable – considered good	-	-	-	-	-	-
Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total</b>						<b>220.75</b>
<b>31.03.2021</b>						
Undisputed Trade Receivable – considered good	2135.34	639.16	-	-	-	2774.50
Undisputed Trade Receivable – considered doubtful	-	-	-	-	-	-
Disputed Trade Receivable – considered good	-	-	-	-	-	-
Disputed Trade Receivable – considered doubtful	-	-	-	-	-	-
<b>Total</b>						<b>2774.50</b>

#### 9. Restated Statement of Accounting Ratios:

Sr. No.	Particular	Numerator	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator					
(a)	Current Ratio	Current Assets	1.85	1.52	1.59	1.72	Reason is not required to be disclosed since movement is not more than 25%.
		Current Liabilities					
(b)	Debt-Equity Ratio	Debt	0.26	0.69	0.56	0.63	Reason is not required to be disclosed since movement is not more than 25%.
		Equity					
(c)	Debt Service Coverage Ratio	Net Operating Income	1.44	0.50	0.62	0.44	The Operating income has been increasing year on year but the Debt has been increased in 2022 and 2023 and decreased in period ending 31 <sup>st</sup> December 2023, thus the change in ratios is justified.
		Total Service Debt					
(d)	Return on Equity Ratio	Profit After Tax	34.28%	24.48%	27.23%	17.27%	This ratio is increased during 2022 due to increased profits and Shareholder's fund. It further decreased in 2023 due to increase in Average shareholder
		Average Shareholders' Equity					

Sr. No.	Particular	Numerator	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021	Reason for Movements
		Denominator					
							equity getting increased not in the same ratio as profits. Further during period ended December 2023, it got increased due to increased profits.
(e)	Trade Receivables turnover ratio (in times)	Net Credit Sales	1.84	2.78	3.54	2.39	This ratio is increased in 2022 due to higher sales Volume. Further the same has been decreased during 2023 and period ended December 2023 due to increase in debtor credit period
		Average Trade Receivables					
(f)	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	3.36	5.21	7.54	8.35	This ratio is decreased year on year due to increase in creditor credit period and thus increased Trade Payables.
		Average Trade Payables					
(g)	Net capital turnover ratio (in times)	Turnover	2.95	4.99	5.94	3.90	This ratio is increased in the year 2022 due to Increased Turnover. Further the same has been decreased in 2023 and for the period ended 30 December 2023 due to increase in Working Capital much more than the turnover.
		Net Working Capital					
(h)	Net profit ratio	Profit After Tax	10.82%	4.47%	4.23%	4.10%	Reason is not required to be disclosed since movement is not more than 25%.
		Total Sales					
(i)	Return on Capital employed	Operating Profit	35.48%	22.89%	24.33%	19.24%	This ratio is increased in the year 2022 due to higher Profits. Further the ratio decreased in 2023 with not more than 25%, so no reason required.
		Total Capital Employed					
(j)	Interest Service Coverage Ratio	EBIT	9.32	4.64	7.48	3.78	This ratio is increased in the year 2022 due to higher EBIT. Further the ratio is decreased in 2023 due to increased Interest cost. Further during period ended December 2023, it got increased due to higher EBIT
		Total Interest Service					

## RESULTS OF OUR OPERATION

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of our Company for the period ended December 31, 2023 and financial years ended on 2023, 2022 and 2021:

(₹ in lakhs)

Particulars	For the Period ended/ For the Year Ended 31st March							
	Decemb er 31, 2023	% of Total Revenue	2023	% of Total Revenue	2022	% of Total Revenue	2021	% of Total Revenue
<b>Revenue:</b>								
Revenue from Operations	9010.02	99.77%	11509.57	99.72%	10436.67	99.76%	5457.31	99.78%
Other income	20.81	0.23%	31.79	0.28%	25.00	0.24%	12.01	0.22%
<b>Total revenue</b>	<b>9030.83</b>	<b>100.00%</b>	<b>11541.36</b>	<b>100.00%</b>	<b>10461.67</b>	<b>100.00%</b>	<b>5469.32</b>	<b>100.00%</b>
<b>Expenses:</b>								
Cost of Material Consumed	6249.15	69.20%	9161.56	79.38%	8524.76	81.49%	4240.44	77.53%
Employees Benefit Expenses	675.79	7.48%	731.83	6.34%	649.47	6.21%	519.01	9.49%
Office & Admin Expenses	72.63	0.80%	75.85	0.66%	62.71	0.60%	38.29	0.70%
Selling & Distribution Expenses	70.39	0.78%	85.46	0.74%	69.54	0.66%	29.64	0.54%
Finance costs	160.12	1.77%	196.48	1.70%	93.26	0.89%	116.10	2.12%
Depreciation and Amortization	15.64	0.17%	12.27	0.11%	11.80	0.11%	17.00	0.31%
Other expenses	471.28	5.22%	575.76	4.99%	457.31	4.37%	203.56	3.72%
<b>Total Expenses</b>	<b>7715.00</b>	<b>85.43%</b>	<b>10839.20</b>	<b>93.92%</b>	<b>9868.86</b>	<b>94.33%</b>	<b>5164.04</b>	<b>94.42%</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>1315.82</b>	<b>14.57%</b>	<b>702.15</b>	<b>6.08%</b>	<b>592.81</b>	<b>5.67%</b>	<b>305.28</b>	<b>5.58%</b>
Exceptional Items								
<b>Profit before extraordinary items and tax</b>	<b>1315.82</b>	<b>14.57%</b>	<b>702.15</b>	<b>6.08%</b>	<b>592.81</b>	<b>5.67%</b>	<b>305.28</b>	<b>5.58%</b>
Extraordinary items								
<b>Profit before tax</b>	<b>1315.82</b>	<b>14.57%</b>	<b>702.15</b>	<b>6.08%</b>	<b>592.81</b>	<b>5.67%</b>	<b>305.28</b>	<b>5.58%</b>
<b>Tax expense:</b>								
Current tax	341.44	3.78%	188.34	1.63%	151.59	1.45%	90.69	1.66%
Deferred Tax	(0.23)	(0.00%)	(0.12)	(0.00%)	(0.22)	(0.00%)	(9.17)	(0.17%)
<b>Net Total Tax Expenses</b>	<b>341.20</b>	<b>3.78%</b>	<b>188.22</b>	<b>1.63%</b>	<b>151.37</b>	<b>1.45%</b>	<b>81.52</b>	<b>1.49%</b>
<b>Profit /(Loss) for the period from continuing operations</b>	<b>974.62</b>	<b>10.79%</b>	<b>513.94</b>	<b>4.45%</b>	<b>441.44</b>	<b>4.22%</b>	<b>223.76</b>	<b>4.09%</b>

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 27 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Disruption in our business process.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
3. Fail 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. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Recession in the market;

10. Changes in laws and regulations relating to the industries in which we operate;
11. Effect of lack of infrastructure facilities on our business;
12. Our ability to meet our capital expenditure requirements;
13. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
14. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
15. 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;
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

## **KEY COMPONENTS OF COMPANY'S PROFIT AND LOSS STATEMENT**

**Revenue from operations:** Revenue from operations mainly consists from Sales of products.

**Other Income:** Other Income Consist of duty drawback claim, foreign exchange gain, other income and Interest Income.

**Expenses:** Company's expenses consist of, Cost of goods sold, Employee Benefit Expenses, Office & Admin Expenses, Selling & Distribution Expenses, Finance Cost, Depreciation Expenses & Other Expenses.

**Cost of Goods Sold:** Cost of Goods Sold consist of Opening Stock, Purchases and Direct Expenses & Closing Stock.

**Employee Benefits Expense:** Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Contribution to Statutory Funds, staff welfare, other allowances, Gratuity Expenses etc.

**Office & Admin Expenses:** Office & Admin Expenses includes Electricity charges, Insurance, Printing & Stationery Expenses, Repair & Maintenance etc.

**Selling & Distribution Expenses:** Selling & Distribution Expenses includes Business Promotion expenses, Marketing Expenses, Rent Expenses, Tour & Travel Expenses etc.

**Finance Cost:** Finance Cost includes Interest paid on borrowings & Bank Charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a WDV basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Other Expenses:** Other expenses include Labour Charges, Transportation Charges, Site Expenses, Hiring Charges, Computer Software expenses, Office Rent, Professional & Consultancy Charges etc.

## **REVIEW OF OPERATIONS FOR THE PERIOD ENDED ON DECEMBER 31, 2023:**

### **Revenue from Operation**

Revenue from operations for the period ended on December 31, 2023 amounting to ₹9010.02 lakhs represents 99.77% of Total Revenue.

### **Other Income**

Other Income amounts to ₹20.81 lakhs represents 0.23% of Total Revenue.

### **Cost of Goods Sold**

Cost of Goods Sold for the period ended on December 31, 2023 amounting to ₹6249.15 lakhs represents 69.20% of Total Revenue.

### **Employee Benefit Cost**

Employee benefit expenses includes Salaries and Wages, Directors Remuneration, Employer's Contribution to PF & ESI, Gratuity Expenses etc amounting to ₹675.79 Lakhs represents 7.48% of Total Revenue.

### **Office & Admin Expenses**

Office & Admin Expenses includes Electricity charges, Insurance, Printing & Stationery Expenses, Repair & Maintenance etc amounting to ₹72.63 Lakhs represents 0.80% of Total Revenue.

### **Selling & Distribution Expenses**

Selling & Distribution Expenses includes Business Promotion expenses, Marketing Expenses, Rent Expenses, Tour & Travel Expenses etc amounting to ₹70.39 Lakhs represents 0.78% of Total Revenue.

### **Finance Cost**

Finance Cost includes Interest on Borrowings, Bank Charges and interest on delay in statutory dues payment amounting to ₹160.12 Lakhs represents 1.77% of Total Revenue.

### **Depreciation and Amortization**

Depreciation is charged on WDV method amounting to ₹15.64 Lakhs represents 0.17% of Total Revenue

### **Other Expenses**

Other expenses include Labour Charges, Transportation Charges, Site Expenses, Hiring Charges, Computer Software expenses, Office Rent, Professional & Consultancy Charges etc. amounting to ₹471.28 lakhs represents 5.22% of Total Revenue.

### **Profit Before Tax**

The Profit before tax for the period ended on December 31, 2023 was ₹1315.82 lakhs representing 14.57% of Total Revenue.

### **Tax Expenses**

Tax Expenses consisting of Current Tax & Deferred Tax for the period ended on December 31, 2023 was ₹341.44 lakhs and ₹ (0.23) lakhs respectively, representing 3.78% and (0.003) % respectively of Total Revenue.

### **Profit After Tax**

The Profit after tax for the period ended on December 31, 2023 was ₹974.62 lakhs representing 10.79% of Total Revenue.

## **FISCAL 2023 COMPARED WITH FISCAL 2022**

### **Revenue from Operation**

Revenue from operations has shown a growth of 10.28% from ₹10,436.67 lakhs in Fiscal 2022 to ₹11,509.57 lakhs in Fiscal 2023. The company being in business of EPC projects, it has established its technical and financial eligibility over the period and hence had made themselves eligible to bid for projects having tender value of more than ₹8,000.00 Lakhs.

Thus, revenue from operation taken as a percentage of total revenue was 99.72% of the total revenue in Fiscal 2023 which was 99.76% in Fiscal 2022. This was primarily due to increase in exports by 95.57% and domestic sales by 6.12% in Fiscal 2023.

(₹ in Lakhs, otherwise mentioned)

Sr. No	Particulars	March 31, 2023		March 31, 2022		% of Increase/ (Decrease)
		Amount	% of Total Revenue	Amount	% of Total Revenue	
1.	Domestic Sales	10669.36	92.70%	10007.06	95.88%	6.12%
2.	Export Sale	840.21	7.30%	429.62	4.12%	95.57%
	<b>Total</b>	<b>11509.57</b>	<b>100.00%</b>	<b>10436.67</b>	<b>100.00%</b>	

### **Other Income**

Other income had increased from ₹25.00 lakhs in Fiscal 2022 to ₹31.79 lakhs in Fiscal 2023 due to increase in interest on deposits and foreign exchange gain. The company's interest on deposits in the year 2022 was ₹14.83 lakhs which increased in the year 2023 to ₹17.45 lakhs. Further in the year 2023 the company had earned foreign exchange gain amounting to ₹14.31 lakhs which was ₹2.04 lakhs in the fiscal year 2022.

### **Cost of Goods Sold**

Cost of Goods Sold had increased by 7.47% from ₹8,524.76 lakhs in Fiscal 2022 to ₹9,161.56 lakhs in Fiscal 2023. This increase is due to corresponding increase in sales during Fiscal 2023.

### **Employee Benefit Expenses**

Employee benefit expenses had increased by 12.68% from ₹649.47 lakhs in Fiscal 2022 to ₹731.83 lakhs in Fiscal 2023. This increase was primarily due to increase in salaries & wages from ₹293.06 lakhs in Fiscal 2022 to ₹377.82 lakhs in Fiscal 2023, increase in director's remuneration from ₹316.00 lakhs in Fiscal 2022 to ₹320.00 lakhs in Fiscal 2023 & increase in Employer's Contribution to PF from ₹8.50 lakhs in Fiscal 2022 to ₹12.49 lakhs in Fiscal 2023.

### **Office & Admin Expenses**

Office & Admin expenses had increased by 20.94% from ₹62.71 lakhs in Fiscal 2022 to ₹75.85 lakhs in Fiscal 2023. This increase was primarily due to increase in Repair & Maintenance from ₹8.12 lakhs in Fiscal 2022 to ₹17.42 lakhs in Fiscal 2023 and Electricity charges from ₹9.32 lakhs in Fiscal 2022 to ₹12.80 lakhs in Fiscal 2023.

### **Selling & Distribution Expenses**

Selling & Distribution Expenses had increased by 22.89% from ₹69.54 lakhs in Fiscal 2022 to ₹85.46 lakhs in Fiscal 2023. This increase was primarily due to increase in Traveling Expenses from ₹27.08 lakhs in Fiscal 2022 to ₹55.43 lakhs in Fiscal 2023 and Lodging & Boarding from ₹7.32 lakhs in Fiscal 2022 to ₹12.00 lakhs in Fiscal 2023.

### **Finance Cost**

Finance Cost had increased by 110.68% from ₹93.26 lakhs in Fiscal 2022 to ₹196.48 lakhs in Fiscal 2023. This increase was primarily due to increase in Interest on borrowings from ₹54.18 lakhs in Fiscal 2022 to ₹108.59 lakhs in Fiscal 2023 and increase in the bank charges from ₹29.74 lakhs in Fiscal 2022 to ₹81.41 lakhs in Fiscal 2023.

### **Depreciation and Amortization Expenses**

Depreciation had increased by 3.97% from ₹11.80 lakhs in Fiscal 2022 to ₹12.27 lakhs in Fiscal 2023. This was primarily due to capex of ₹27.75 lakhs made by company during Fiscal 2023.

### **Other Expenses**

Other expenses had increased by 25.90% from ₹457.31 lakhs in Fiscal 2022 to ₹575.76 lakhs in Fiscal 2023. The increase was primarily due to increase in transportation expenses by ₹66.54 lakhs, hiring charges by ₹26.62 lakhs, computer software expenses by ₹8.95 lakhs, donations by ₹8.70 lakhs etc. in Fiscal 2023.

### **Tax Expenses**

The Company's tax expenses had increased by ₹36.85 lakhs from ₹151.37 lakhs in the Fiscal 2022 to ₹188.22 lakhs in Fiscal 2023. This was primarily due to increase in current tax expenses during the year which got increased from ₹151.59 Lakhs in the year 2022 to ₹188.34 lakhs in the year 2023.

### **Profit after Tax**

After accounting for taxes at applicable rates, our Company reported a net profit of ₹513.94 lakhs in Fiscal 2023 as compared to a net profit of ₹441.44 lakhs in Fiscal 2022 which got increased due to higher revenue from operation at increased margins and reduction in operating expenses due to increased operational efficiency during the year.

## **FISCAL 2022 COMPARED WITH FISCAL 2021**

### **Revenue from Operation**

Revenue from operations had increased by 91.24% from ₹5457.31 lakhs in Fiscal 2021 to ₹10436.67 lakhs in Fiscal 2022. The company being in business of EPC projects, it has established its technical and financial eligibility over the period and hence had made themselves compatible to bid for projects having tender value of more than ₹5000.00 Lakhs.

The increase in revenue from operation had been due to the strong customer base as company had received repeat orders from the customer and had also acquired new customers during Fiscal 2022.

### **Other Income**

Other income had increased by 108.08% from ₹12.01 lakhs in Fiscal 2021 to ₹25.00 lakhs in Fiscal 2022. This was primarily due to increase in Duty Drawback by ₹1.26 Lakhs, Foreign Exchange Gain by ₹2.04 Lakhs, Interest Income by ₹3.35 Lakhs and Income Tax Refund by ₹6.33 Lakhs.

### **Cost of Goods Sold**

Cost of Goods Sold had increased by 101.03% from ₹4240.44 lakhs in Fiscal 2021 to ₹8524.76 lakhs in Fiscal 2022. This increase is due to corresponding increase in sales during Fiscal 2022.

### **Employee Benefit Expenses**

Employee benefit expenses had increased by 25.14% from ₹519.01 lakhs in Fiscal 2021 to ₹649.47 lakhs in Fiscal 2022. This increase was primarily due to increase in salaries & wages from ₹172.12 lakhs in Fiscal 2021 to ₹293.06 lakhs in Fiscal 2022, increase in Staff Welfare and Allowances from ₹14.80 lakhs in Fiscal 2021 to ₹26.78 lakhs in Fiscal 2022 & increase in Employer's Contribution to PF from ₹4.27 lakhs in Fiscal 2021 to ₹8.50 lakhs in Fiscal 2022.

### **Office & Admin Expenses**

Office & Admin expenses had increased by 63.78% form ₹38.29 lakhs in Fiscal 2021 to ₹62.71 lakhs in Fiscal 2022. This increase was primarily due to increase in Electricity Charges from ₹4.47 lakhs in Fiscal 2021 to ₹9.32 lakhs in Fiscal 2022, Insurance charges from ₹6.16 lakhs in Fiscal 2021 to ₹17.59 lakhs in Fiscal 2022, Printing & Stationery Expenses ₹8.45 lakhs in Fiscal 2021 to ₹13.10 lakhs in Fiscal 2022.

### **Selling & Distribution Expenses**

Selling & Distribution Expenses had increased by 134.60% form ₹29.64 lakhs in Fiscal 2021 to ₹69.54 lakhs in Fiscal 2022. This increase was primarily due to increase in Traveling Expenses from ₹7.04 lakhs in Fiscal 2021 to ₹27.08 lakhs in Fiscal 2022, Lodging & Boarding from ₹1.92 lakhs in Fiscal 2021 to ₹7.32 lakhs in Fiscal 2022 and business promotion expenses from ₹13.42 lakhs in Fiscal 2021 to ₹19.73 lakhs in Fiscal 2022.

### **Finance Cost**

Finance Cost had decreased by 19.67% from ₹116.10 lakhs in Fiscal 2021 to ₹93.26 lakhs in Fiscal 2022. This decrease was primarily due to decrease in Bank Charges from ₹41.40 lakhs in Fiscal 2021 to ₹29.74 lakhs in Fiscal 2022, Interest on CC/OD from ₹64.57 lakhs in Fiscal 2021 to ₹45.60 lakhs in Fiscal 2022.

### **Depreciation and Amortization Expenses**

Depreciation had decreased by 30.59% from ₹17.00 lakhs in Fiscal 2021 to ₹11.80 lakhs in Fiscal 2022.

### **Other Expenses**

Other expenses had increased by 124.65% from ₹203.56 lakhs in Fiscal 2021 to ₹457.31 lakhs in Fiscal 2022. The increase was primarily due to increase in labour charges by ₹77.43 lakhs, transportation charges by ₹29.22 lakhs, site expenses by ₹26.34 lakhs, professional and consultancy fees by ₹55.76 lakhs, hiring charges by ₹32.47 lakhs, office rent by ₹21.60 lakhs, rates, taxes by ₹2.34 lakhs etc. in Fiscal 2022

### **Tax Expenses**

The Company's tax expenses had increased by ₹69.85 lakhs from ₹81.52 lakhs in the Fiscal 2021 to ₹151.37 lakhs in Fiscal 2022. This was primarily due to increase in Current Tax Expenses from ₹90.69 Lakhs in Fiscal 2021 to ₹151.59 Lakhs in Fiscal 2022. The Current Tax Expenses has been increased due to higher profit during the year.

### **Profit after Tax**

After accounting for taxes at applicable rates, our Company reported a net profit of ₹441.44 lakhs in Fiscal 2022 as compared to a net profit of ₹223.76 lakhs in Fiscal 2021. The company has made higher profit after tax in the fiscal 2022 due to higher revenue from operations at higher margins and reduction in operating expenses during the year.

## **CASH FLOWS**

### **Cash Flows**

<b>Particulars</b>	<i>(₹ in lakhs)</i>			
	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net Cash from Operating Activities	1293.26	(466.97)	386.30	75.89
Net Cash from Investing Activities	(255.04)	(240.10)	(140.71)	(224.24)
Net Cash from Financing Activities	(910.03)	400.42	55.38	(6.69)

### **Cash Flows from Operating Activities**

#### **For the period ended December 31, 2023**

Our net cash used from operating activities was ₹1293.26 Lakhs for the period ended December 31, 2023. Our operating profit before working capital changes was ₹ 1,472.57 Lakhs for the period ended December 31, 2023 which was primarily adjusted against income tax of (₹188.89) Lakhs, decrease in inventories ₹ 113.55 Lakhs, decrease in trade receivables ₹ 523.47 Lakhs, decrease in short term loans & advances ₹ 31.68 Lakhs, increase in other current assets ₹ (326.39) Lakhs, decrease in trade payables ₹ (252.41) Lakhs, decrease in other current liabilities ₹ (80.32) Lakhs.

#### **For the financial year ended March 31, 2023**

Our net cash used from operating activities was ₹ (466.97) Lakhs for the financial year ended March 31, 2023. Our operating profit before working capital changes was ₹ 896.98 Lakhs for the financial year ended March 31, 2023 which was primarily adjusted against income tax of ₹152.53 Lakhs, decrease in inventories ₹14.79 Lakhs, increase in trade receivables ₹ (2,046.23) Lakhs, decrease in short term loans & advances ₹ 20.04 Lakhs, decrease in other current assets ₹ 119.83 lakhs, increase in trade payables ₹ 452.63 Lakhs, increase in other current liabilities ₹ 227.51 Lakhs.

#### **For the financial year ended March 31, 2022**

Our net cash used from operating activities was ₹ 386.30 Lakhs for the financial year ended March 31, 2022. Our operating profit before working capital changes was ₹ 686.76 Lakhs for the financial year ended March 31, 2022 which was primarily adjusted against income tax of ₹ 86.84 Lakhs, increase in inventories ₹ (309.05) Lakhs, increase in trade receivables ₹ (346.78) Lakhs, decrease in short term loans & advances ₹ 27.44 Lakhs, increase in other current assets ₹ (254.74) lakhs, increase in trade payables ₹ 806.78 Lakhs, decrease in other current liabilities ₹ (137.28) Lakhs.

#### **For the financial year ended March 31, 2021**

Our net cash used from operating activities was ₹ 75.89 Lakhs for the financial year ended March 31, 2021. Our operating profit before working capital changes was ₹ 438.16 Lakhs for the financial year ended March 31, 2021 which was primarily adjusted against decrease in inventories ₹ 97.69 Lakhs, increase in trade receivables ₹ (988.11) Lakhs, decrease in short term loans & advances ₹ 63.24 Lakhs, increase in other current assets ₹ (40.54) lakhs, increase in trade payables ₹ 437.36 Lakhs, increase in other current liabilities ₹ 68.08 Lakhs.

### **Cash Flows from Investment Activities**

#### *For the period ended December 31, 2023*

Our net cash flow from investing activities was ₹ (255.04) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (28.36) lakhs, interest received of ₹ 19.31 lakhs, increase in non-current investments by ₹ (237.48) and increase in non-current assets by ₹ (8.51).

#### *For the financial year ended March 31, 2023*

Our net cash flow from investing activities was ₹ (10.30) lakhs. This was mainly on account of Purchase of fixed assets of ₹ (27.75) lakhs, interest received of ₹ 17.45 lakhs, increase in non-current investments by ₹ (197.61) and increase in non-current assets by ₹ (32.19).

#### *For the financial year ended March 31, 2022*

Our net cash flow from investing activities was ₹ 2.37 lakhs. This was mainly on account of Purchase of fixed assets of ₹ (12.46) lakhs, interest received of ₹ 14.83 lakhs, increase in non-current investments by ₹ (83.59) and increase in non-current assets by ₹ (59.50).

#### *For the financial year ended March 31, 2021*

Our net cash flow from investing activities was ₹ 3.51 lakhs. This was mainly on account of Purchase of fixed assets of ₹ (7.96) lakhs, interest received of ₹ 11.48 lakhs, increase in non-current investments by ₹ (168.10) and increase in non-current assets by ₹ (59.65).

### **Cash Flows from Financing Activities**

#### *For the period ended December 31, 2023*

Our net cash flow from financing activities was ₹ (910.03) lakhs. This was on account of repayment of Long-Term borrowings of ₹ (749.91) and interest paid of ₹ (160.12) lakhs.

#### *For the financial year ended March 31, 2023*

Our net cash flow from financing activities was ₹ 400.42 lakhs. This was on account of proceeds from Long Term borrowings of ₹ 596.90 lakhs and interest paid of ₹ (196.48) lakhs.

#### *For the financial year ended March 31, 2022*

Our net cash flow from financing activities was 55.38 lakhs. This was on account of proceeds from Long Term borrowings of ₹ 148.64 lakhs and interest paid of (93.26) lakhs.

#### *For the financial year ended March 31, 2021*

Our net cash flow from financing activities was ₹ (6.69) lakhs. This was on account of proceeds from Long Term borrowings of ₹ 109.41 lakhs and interest paid of ₹ (116.10) lakhs.

## **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoter, directors and their entities and relatives primarily relate to remuneration, salary, commission and issue of Equity Shares. For further details of related parties kindly refer chapter titled “Restated Financial Statements” beginning on page 170 of this Draft Red Herring Prospectus.

## **OFF-BALANCE SHEET ITEMS**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

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

There are no qualifications in the audit report that require adjustments in the Restated Financial Statements.

## **QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

### ***Financial Market Risks***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations in future and our access to funds.

### ***Effect of Inflation***

We are affected by inflation as it has an impact on the salary, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

### ***Credit Risk***

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

## **OTHER MATTERS**

### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution**

Except as disclosed in chapter titled “*Restated Financial Statements*” beginning on page 170 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

### **Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations. There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page 27 of this Draft Red Herring Prospectus.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, beginning on page 27 and 173 of this Draft Red Herring Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

#### **Future relationship between Costs and Income**

Other than as described in the section titled “Risk Factors” beginning on page 27 of this Draft Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

#### **The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Changes in revenue in the last three financial years are as explained in the part “Financial Year 2022-23 compared with financial year 2021-22 and Financial Year 2021-22 Compared with Financial Year 2020-21” above.

#### **Significant dependence on a single or few Suppliers or Customers**

Significant proportion of our purchases have historically been derived from a limited number of suppliers. The % of Contribution of our supplier’s *vis a vis* the total purchases for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 are as follows:

(₹ in Lakhs, otherwise mentioned)

Particulars	Suppliers							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Top 5</b>	1,505.87	25.88	1,231.55	14.17	3,396.33	40.09	1,392.55	36.98
<b>Top 10</b>	2,282.16	37.20	1,858.76	20.32	4,253.90	48.15	2,097.32	50.63

Significant proportion of our total revenue have historically been derived from a limited number of customers. The % of Contribution of our Customers *vis a vis* the total revenue for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 are as follows:

(₹ in Lakhs, otherwise mentioned)

Particulars	Customer							
	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Top 5</b>	7,547.22	83.77	8,256.04	71.73	9,000.57	86.23	4,939.47	90.51
<b>Top 10</b>	8,938.12	99.20	11,091.96	96.37	10,303.75	98.71	5,349.16	98.02

#### **Status of any publicly announced new products or business segments**

Please refer to the chapter titled “Our Business” beginning on page 117 of this Draft Red Herring Prospectus for new products or business segments.

#### **The extent to which the business is seasonal**

Our business is not seasonal in nature.

#### **Competitive Conditions**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, reliability and competitive pricing is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market.

We believe that our experience, and reliability record with our customers will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on May 02, 2024, materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Red Herring Prospectus:

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoter, Directors, or Group Companies, as the case may be shall be deemed to be material;
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of the revenue of the Company for the most recent audited fiscal period;
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.
- d) As per the materiality policy adopted by the Board of our Company in its meeting held on May 02, 2024, creditors of our Company The outstanding dues to creditors in excess of 10% of the trade payables of our company as per the audited previous full year financial statements will be considered material. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at <https://www.ewfa.co.in/>

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

### OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:**

**Chhattisgarh: -**

Sr. No	Entity and GSTIN	Notice /Demand Order Id reference no. and date & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
1.	M/s. Effwa Infra & Research Private Limited 22AADCE5808J1ZS	Notice No. ZD220124000657Y Dated January 02,2024 Period: 2018-19	Show Cause Notice u/s. 73 for Levy of interest under section 50 of the Act and discrepancies in due to difference in GSTR-3B and 2A	Total Amount Rs.: 1,46,471/- (Tax: Rs. 78,939/- Interest: 67,532/-)	The assessee has filed its reply in the matter, disputing the demand and response from department is pending
2.	M/s. Effwa Infra & Research Private Limited 22AADCE5808J1ZS	Notice No. ZD2211210014790 Dated: November 25, 2021 Period: 2020-21	Show Cause Notice u/s. 73 for Levy of interest under section 50 of the Act and discrepancies in due to difference in GSTR-3B and 2A	Total Amount Rs.: 6,75,543/- (Tax: Rs. 5,82,700/- Interest: 92,843/-)	The assessee has submitted its response in the matter and response from department is pending
3.	M/s. Effwa Infra & Research Private Limited 22AADCE5808J1ZS	Notice No.: ZD220324011396V Dated March 14, 2024 Period: 2021-22	Notice issued u/s. 61, intimating discrepancies in the return after scrutiny	Difference Amount: Rs. (Rs. 42,88,043/-) CGST Rs. 1,34,529/- SGST Rs. 1,34,529/-	Assessee is yet to file reply in respect of same

**Andhra Pradesh: -**

Sr. No.	Entity and GSTIN	Notice /Demand Order Id & Period	Notice /Order Description	Amount in Dispute (Rs.)	Current Status
2	M/s. Effwa Infra & Research Private Limited 37AADCE5808J1ZH	Rectification Order: - ZD370124011557M dated January 20, 2024 Order: - ZD371223021000C SCN: - ZD370623033534G Period: April 2018 - March 2019	Rectification Order u/s. 73 r.w.r.142(7) of the GST rules	Total Amount: Rs. 42,437/- (Tax: Rs.1313/- Interest: Rs. 1124/- & Penalty: Rs. 40,000/-)	Aggrieved by the penalty amount levied in the matter, the assessee has filed appeal vide acknowledgement no. AD370424006364B dated April 18, 2024

**Maharashtra: -**

<b>Sr. No.</b>	<b>Entity and GSTIN</b>	<b>Notice /Demand Order Id &amp; Period</b>	<b>Notice /Order Description</b>	<b>Amount in Dispute (Rs.)</b>	<b>Current Status</b>
<b>1</b>	M/s. Effwa Infra & Research Private Limited 27AADCE5808J1ZI	Notice No. ZD2712230568961  Dated: December 20, 2023  Period: 2021-22	Notice issued u/s. 61 r.w.r. 99 of the GST rules intimating discrepancies in due to Interests on delayed payments made with GSTR 3b & Non reversal of ITC in GSTR-3B Compared with GSTR-9	Risk Amount Involved 2,266/- & 9,39,918/- respectively	Reply has been submitted by the assessee and response from the concerned authority is awaited

**Direct Tax:**

**NIL**

**5) Other Pending Litigation based on Materiality Policy of our Company**

**NIL**

**B. CASES FILED BY OUR COMPANY**

**1. Litigation involving Criminal Laws**

**NIL**

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

**NIL**

**3. Disciplinary Actions by Authorities**

**NIL**

**4. Litigation involving Tax Liability**

**NIL**

**5. Other Pending Litigation based on Materiality Policy of our Company**

- (i) M/s. Effwa Infra and Research Private Limited (Complainant) V/s. 1. Jagaran Entertainment Media Pvt. Ltd.; 2. Mr. Sanjeev Mohan Gupta; 3. Mr. Anand Bhagwanji Chaturvedi (Accused)**

*(S.C.C. No. 4198 of 2019 Filed u/s. 138 of the Negotiable Instruments Act with Judicial Magistrate, First Class, Thane)*

The Complainant herein claims to have granted to the accused an aggregate amount of Rs. 11,50,000/- on May 2, 2018 & June 11, 2018 as a financial assistance, upon the request of the accused. Later however the complainant herein alleged the accused herein of having delayed the repayment of the aforementioned amount and stated that after several persuasions, the accused herein issued two cheques of Rs. 5,00,000/- and Rs. 6,50,000/- dated September 26, 2018 and October 10, 2018 respectively. The Complainant further alleged that the cheque for an amount of Rs. 6,50,000/- dated October 10, 2018 returned dishonored on December 18, 2018, upon presentation with the bank, with remarks "Funds Insufficient". The Complainant herein further claims to have issued legal notice dated January 11, 2019, at the address given by the accused which however returned unserved with remarks "Left". Aggrieved by this, the complainant herein filed the instant petition for the recovery of Rs. 6,50,000/- along with interest and the same is pending.

- (ii) **M/s. Effwa Infra and Research Private Limited (Formerly working as Effwa Infra and Research, a partnership firm) (Complainant) V/s. 1. Maharashtra Agro Processors; 2. Barafwala Agro Processors (Accused no. 1 & 2 herein being one and same party for the reason that the accused earlier known as Maharashtra Agro Processors later got merged into Barafwala Agro Processors)**

*(S.C.Suit. No. .... of 2018 Filed u/s. 9 of CPC, 1908 with the Court of Civil judge S.D. Thane at Thane)*

The Complainant herein claims to have received a work order for the erection of a 400 KLD capacity effluent Treatment Plant for the slaughter house of the Defendants situated at Kolhapur somewhere in 2012-13 and claims to have completed the whole of the project to the satisfaction of the defendant and raised invoices aggregating to Rs. 40,37,500/-. The Complainant herein alleged that out of total value of invoices for Rs. 40,37,500/- only an amount of Rs. 18,00,000/- had been received and that the balance amount of Rs. 22,37,500/- is still due and payable by the defendant since the date of part payment of the invoice on March 16, 2016. The complainant herein further alleged the accused herein of not making the balance payment till the date of the suit and being aggrieved by same filed the present suit u/s 9 of the Civil Code of Procedure (CPC), 1908 for the recovery of the balance amount of Rs. 22,37,500/- along with interest @ 12% p.a. from the date of filing of the suit till the date of its realization and the suit is pending with the concerned court of judicature.

- (iii) **M/s. Effwa Infra and Research Private Limited (Plaintiff) V/s. 1. Major Construction Equipments; 2. Nitin Chandok; 3. Krishna Chandok (Defendants)**

*(Special Civil Suit No. 391 of 2018 Filed u/s. 9 of CPC, 1908 with the Court of Civil Judge (S.D.), Thane at Thane)*

The plaintiff herein claims to have purchased a Fully automatic Stationary Batching Plant Pan Type 25M3 Pump Machine (the said Machine) from the defendant herein which as per the proforma invoice issued by the defendant at the time of offer for sale had technical specifications upto the satisfaction of the plaintiff. The plaintiff further claims to have purchased the said machine vide purchase order no. EIR/PO/P-50/031/17-18 dated April 18, 2017 at a price of Rs. 17,50,000/- and got the same delivered at its site location at Odisha Mining Corporation Ltd., Kaliapani Mines, Dist. Jaipur, Odisha. Later however, the said machine allegedly did not meet the given specifications in the proforma invoice and allegedly performed only at 10-15% capacity as against the capacity stated in the proforma invoice. Aggrieved by the lower performance of the machine against the represented specification, the plaintiff herein claims to have communicated the defects to the defendant vide its email dated May 10, 2017 to which no response is said to have received. The plaintiff further alleged to have suffered reputational damages for non-completion of the project in time and have allegedly claims to have suffered losses in the form of procurement and repair charges of the defective machine, salary paid to nearly 80% of its workers sitting idle and making make shift arrangement for the completion of the project. The plaintiff having calculated the total damages to the tune of Rs. 23,00,000/-, further claims to have served a legal notice dated November 14, 2017 for return of the machine and requiring the defendant to return the purchase amount of Rs. 17,50,000/- in addition to the damages as stated above (total claim aggregating to the tune of Rs. 45,50,000/-) to which no response have allegedly been received. Aggrieved by these acts of not responding to any of the emails / communications and legal notice by the defendant, the plaintiff herein filed the present petition u/s. 9 of the Civil Procedure Code, 1908 for the recovery of Rs. 45,50,000/- (Rs. 17,50,000/- being purchase price and balance being damages) and the same is pending with the concerned court of judicature.

## **PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation involving Criminal Laws**

NIL

**3) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**4) Disciplinary Actions by Authorities**

NIL

**5) Litigation involving Tax Liability**

**Indirect Tax:**

NIL

**Direct Tax:**

**Mr. Subhash Ramavtar Kamal (Promoter cum Whole time Director)**

**a) A.Y. 2011-12**

As per details available on the website of the Income Tax Department M/s. Subhash Ramavtar Kamal (hereinafter referred to as the "Assessee") have been issued with a demand notice bearing Demand Reference No: 2016201137051249702T dated December 24, 2016 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 13,30,250 /- for the A.Y. 2011-12 and the same has been disputed by the assessee. However as per details available on the website, an amount of Rs. 10,54,150/- in addition to an interest of Rs. 6,51,798/- is pending to be paid by the assessee.

The assessee has further been issued with notices u/s. 245 of the Act for A.Y. 2022-23 bearing no. CPC/2223/G8a/320361346 dated November 03, 2023 and for A.Y. 2023-24 bearing no. CPC/2324/G8a/390590228 dated November 04, 2023 proposing adjustment of the refund of the respective years against the demand of the A.Y. 2011-12 and the assessee is yet to file response in respect of same.

**M/s. Aireff Detox Inc (Partnership firm of promoters)**

**b) A.Y. 2009-2010: -**

As per details available on the website of the Income Tax Department M/s. Aireff Detox Inc (hereinafter referred to as the "Assessee") have been issued with a demand notice bearing Demand Reference No2016200910005968770T dated December 29,2016 passed u/s. 154 of the Income Tax Act, 1961, raising a demand of Rs. 26,92,310 /- for A.Y. 2009-10 and the same has been disputed by the Assessee.

However as per details available on the website, an amount of Rs. 24,92,310/- in addition to an interest of Rs. 6,99,998/- is pending to be paid by the Assessee.

**6) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

### **PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

#### **A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:**

NIL

**Direct Tax:**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

#### **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

#### **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Draft Red Herring Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Draft Red Herring Prospectus

#### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Draft Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **NON-PAYMENT OF STATUTORY DUES**

As on the date of the Draft Red Herring Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this Draft Red Herring Prospectus.

#### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

#### **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

#### **MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 173 there have been no material developments that have occurred after the Last Balance Sheet Date.

#### **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on December 31, 2023:

<i>(₹ in Lakhs)</i>	
<b>Name</b>	<b>Balance as on 31.12.2023</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	997.90
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	735.73

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this 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 January 06, 2014 from the Registrar of Companies, Maharashtra, RoC – Mumbai, under the Companies Act, 1956 as “**EFFWA INFRA & RESEARCH PRIVATE LIMITED**” (Corporate Identification No. **U90001MH2014PTC251793**)
2. Fresh Certificate of Incorporation dated May 02, 2024 from the Registrar of Companies, Assistant Registrar of Companies / Deputy Registrar of Companies / Registrar of Companies, Centralised Processing Centre, consequent to conversion of the Company from “**EFFWA INFRA & RESEARCH PRIVATE LIMITED**” to “**EFFWA INFRA & RESEARCH LIMITED**” (Corporate Identification No. - **U90001MH2014PLC251793**)

### APPROVALS IN RELATION TO THE OFFER

#### *Corporate Approvals*

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on May 02, 2024 authorized the Offer, 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 03, 2024, under Section 62(1)(c) of the Companies Act, 2013, authorized the Offer.
3. Our Board of Directors has, pursuant to a resolution dated and May 10, 2024 and [●] authorized our Company to take necessary action for filing the Draft Red Herring Prospectus and Red Herring Prospectus respectively with NSE Emerge.

#### *Approvals from Stock Exchange*

1. Our Company has received in- principle listing approval from the NSE Emerge dated [●] for listing of Equity Shares issued pursuant to the Issue.

#### *Other Approvals*

1. The Company has entered into a tripartite agreement dated March 15, 2024 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated [●], with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

### 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	AADCE5808J	Income Tax Department	January 06, 2014	Valid till Cancelled
2.	Tax Deduction and Collection Account Number (TAN)	M/s. Effwa Infra & Research Private Limited, 107/A, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane West, Maharashtra, 400601	PNEE03711B	Income Tax Department	June 14, 2014	Valid till Cancelled
3.	Professional Tax Enrollment Certificate (P.T.E.C), (Maharashtra)	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane, Maharashtra, 400601	99602131266P	Professional Tax Department	January 01, 2014	Valid till Cancelled
4.	Professional Tax Registration Certificate (P.T.R.C) (Maharashtra)	M/s. Effwa Infra & Research Private Limited, 107A, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane, Maharashtra, 400601	27685276083P	Professional Tax Department	January 01, 2014	Valid till Cancelled
5.	Professional Tax Enrollment Certificate (P.T.E.C) (Andhra Pradesh)	M/s. Effwa Infra & Research Private Limited, Opp HDFC Bank, 3rd And 4th Floor, D/No 12-1-16, Naga Chambers, Waltair Main Road, Plot No 49, Survey No 1051, Opp HDFC Bank, Visakhapatnam – 530002, Andhra Pradesh	AADCE5808JP TD001	Greater Visakhapatnam Municipal Corporation	April 01, 2015	Valid till Cancelled
6.	Professional Tax Enrollment Certificate (P.T.E.C) (West Bengal)	M/s. Effwa Infra & Research Private Limited, 8th Floor, Plot K-1, Sector 5, Block EP & GP, RDB Boulevard, Salt Lake City, Salt Lake City, Kolkata, Bidhan Nagar, North Twenty-Four Parganas, West Bengal, 700091	192137825235	Department of Commercial Taxes Government of West Bengal	April 30, 2021	Valid till Cancelled
7.	Professional Tax Enrollment Certificate (P.T.E.C) (Odisha)	M/s. Effwa Infra & Research Private Ltd. Cowork Avenue, Plot No. 766, Maharshi Coll, Bhubaneshwar, Odisha	21415602299	Department of Commercial Taxes Government of Odisha	April 10, 2014	Valid till Cancelled

**GST Related Approval**

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	GST Registration Certificate	M/s. Effwa Infra & Research Private Limited, Opp HDFC Bank, 3rd And	37AADCE5808J1ZH	Goods and Services Tax department,	Effective form	Valid till Cancelled

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
	(Andhra Pradesh)	4th Floor, D/No 12-1-16, Naga Chambers, Walt air Main Road, Plot No 49, Survey No 1051, Opp HDFC Bank, Visakhapatnam - 530002, Andhra Pradesh.		Andhra Pradesh	October 27, 2017	
2.	GST Registration Certificate (Maharashtra)	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Thane - 400601, Maharashtra,	27AADCE5808JIZI	Goods and Services Tax department, Maharashtra	Effective form July 01, 2017 Date of Issue of Certificate July 28, 2018	Valid till Cancelled
3.	GST Registration Certificate (Chhattisgarh)	M/s. Effwa Infra & Research Private Limited, Ground Floor, Office No.18,19,20,21 Block A, Firstup Spaces Private Limited, Civil Station Ward, Civil Station Ward, Gore Parisar Block No.15, Plot No.17/2, Raipur - 492001, Chhattisgarh.	22AADCE5808J1ZS	Goods and Services Tax department, Chhattisgarh	Effective form January 07, 2019	Valid till Cancelled
4.	GST Registration Certificate (West Bengal)	M/s. Effwa Infra & Research Private Limited, 8th Floor, Plot K-1, Sector 5, Block EP & GP, RDB Boulevard, Salt Lake City, Salt Lake City, Kolkata, Bidhan Nagar, North Twenty - Four Parganas - 700091, West Bengal.	19AADCE5808J1ZF	Goods and Services Tax department, West Bengal	Effective form April 30, 2021	Valid till Cancelled
5.	GST Registration Certificate (Odisha)	M/s. Effwa Infra & Research Private Limited, Plot No-766, Cowork Venue, Maharshi College Road, Maharshi College Road, Saheed Nagar, Bhubaneswar, Khordha - 751007, Odisha.	21AADCE5808J1ZU	Goods and Services Tax department, Odisha	Effective form July 01, 2017	Valid till Cancelled
6.	GST Registration Certificate (Gujarat)	M/s. Effwa Infra & Research Private Limited, 11 <sup>th</sup> Floor, Units No. 1101, 1102, 1103, 1104, 1105 & 1106, Regus, Earth Arise, Sarkhej Gandhinagar Highway, Makarba, Makarba, Ahmedabad - 380015, Gujarat.	24AADCE5808J1ZO	Goods and Services Tax department, Gujarat	Effective form January 27, 2019	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 Maharashtra	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial	2110200315911265	Govt. of Maharashtra	December 02, 2021	December 02, 2024

Sr. No	Description	Address	License Number	Issuing Authority	Date of Issue	Date of Expiry
	Shops and Establishments Act, 2017	Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.				
2	Registration under Andhra Pradesh Shops and Establishments Act, 1988	M/s. Effwa Infra & Research Private Limited, Door No: 3rd and 4th floor, Naga Chambers, Peda Waltair Village, Seethammadhara Mandal, Visakhapatnam District, Pin code – 530002,	AP-03-44-006 03482707	Govt. of Andhra Pradesh Labour Department	February 22, 2024	March 31, 2026
3	Registration under the Employees Provident fund (EPF)	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.	THTHA1002244	Employees Provident fund Organisation	July 22, 2014	Valid till Cancelled
4	Registration under Employee State Insurance Act (ESIC)	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra,	34000336510001099	Employees' State Insurance Corporation	January 10, 2017	Valid till Cancelled
5	Fire NOC (Maharashtra Fire Prevention & Life Safety Measures Act, 2006 (MAH III of 2007))	M/s. Effwa Infra & Research Private Limited, Unit no. 6,7, 107A, 126, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra,	YESBEE/2023-24/815	Yesbee Fire & Security Services	December, 16, 2023	Valid up to 6 Months

**Business Related Approvals:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	LEI Certificate	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.	894500Q403M8 AN254J15	Legal Entity Identifier India Limited	April 09, 2024	May 05, 2025
2.	Import Export Code (IEC)	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.	0313079137	Ministry of Commerce and Industry Directorate General of Foreign Trade,	February 20, 2014	Valid till Cancelled
3.	ISO 9001:2015	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.	QEC83915614/23/Q	SN Registrars (Holdings) Limited	May 02, 2023	May 24, 2024
4.	ISO 9001:2015	M/S.Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.	742367	Guardian Independent Certification Ltd.	April 26, 2024	April 25, 2027

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
5.	Udyam Registration Certificate	M/s. Effwa Infra & Research Private Limited, 07, Vardhaman Industrial Complex, LBS Marg, Gokul Nagar, Thane - 400601, Maharashtra.	UDYAM-MH-33-0046594	Ministry of Micro, Small and Medium Enterprises	January 09, 2021	Valid till Cancelled

**Registrations related to ongoing projects:**

Sr. No.	Description	Description of Work	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Registration for Employer Under Rule 25(1) of The Contract Labour (Regulation and Abolition) Central Rules, 1971	Outfall 1.2 & 3 At Durgapur Steel Plant (Main Package)., for Durgapur Steel Plant, SAIL, Durgapur, Purba Bardhaman - 713203, West Bengal.	CLRA/ALCRA NIGANJ/2023/132836/L-203	Assistant Labour Commissioner Raniganj, Durgapur	November 17, 2023	November 16, 2024
2.	Certificate of Registration for Employer Under Rule 25(1) of The Contract Labour (Regulation and Abolition) Central Rules, 1971	Rourkela Steel Plant SAIL, Rourkela, Sundargarh - 769011, Odisha.	CLRA/RLCRO URKELA/2023/136833/L-522	Regional Labour Commissioner Rourkela	September 25, 2023	September 24, 2024
3.	Certificate of Registration for Employer Under Rule 25(1) of The Contract Labour (Regulation and Abolition) Central Rules, 1971	Saruabil Chromite Mine Tata Steel Mining Ltd Po Kansa Pin 755028 Dist. Jajpur Odisha, Cerp Installation and Commissioning Requisitioned, For At-Kansa, Po-Kansa, Sukinda, Jajapur - 755028, Odisha.	CLRA/ALCAA NGUL/2022/L-270	Assistant Labour Commissioner Aangul	December 08, 2022	Renewed up to December 07, 2024
4.	Certificate of Registration for Employer Under Rule 25(1) of The Contract Labour (Regulation and Abolition) Central Rules, 1971	Indian Oil Corporation Limited, Haldia Oil Refinery, Haldia Refinery, Purba Mednipur - 721606, West Bengal.	CLRA/ALCKO LKATA2/2023/140842/L-314	Assistant Labour Commissioner II, Kolkata	October 20, 2023	October 19, 2024

**Employee Insurance:**

Sr. No.	Description	Risk Location	Policy Number	Issuing Company	Sum Assured	Date of Expiry
1.	Employees Compensation Insurance Policy	Durgapur steel Plant durgapur -713203 West Bengal	1208002723P 106466913	United India Insurance Company Limited	<b>Maximum Sum Insured:</b> Rs. 1,99,77,360/-	September 04, 2024
2.	Group Personal Accident Policy	-	1208004223P 107793415	United India Insurance Company Limited	<b>Maximum Sum Insured:</b> Rs. 33092808	October 02, 2024
3.	Group Personal Accident Policy	-	1208004223P 105745037	United India Insurance Company Limited	<b>Maximum sum Insured:</b> Rs. 2,01,35,330	August 16, 2024

Sr. No.	Description	Risk Location	Policy Number	Issuing Company	Sum Assured	Date of Expiry
4.	Employees Compensation Insurance Policy	<b>Kutch Copper Ltd</b> Mundra Dist. Kutch Gujarat Plot No. 1 Sect.- 4, S No. 20/5 /Paiki 6/ Paiki 2,138/1, 140 Apsez Siracha and Navinal Village	240800412210 000048	National Insurance Company Limited	-	June 30, 2024
5.	Employees Compensation Insurance Policy	<b>Rashtriya Ispat Nigam Ltd</b> Vishakhapatnam Steel Plant Andhra Pradesh 530031.	1208002723P 107472430	United India Insurance Company Limited	<b>Maximum Sum Insured:</b> Rs. 14,30,460	May 31, 2024
6.	Contractors Plant and Machinery Insurance Policy	<b>Bhilai Steel Plant,</b> Dist. Durg, Bhilai, Na, Bhilai, Chhattisgarh, Durg State Chhattisgarh Pin - 490001	1208004423P 103450034	United India Insurance Company Limited	<b>Maximum Sum Insured:</b> Rs. 441,078.00	June 26, 2024
7.	Group Health Insurance Policy	-	P0223200002/ 6115/100094	Magma - HDI General Insurance Company Limited	<b>Total Sum Insured:</b> Rs. 3,10,00,000/- <b>Maximum Sum Insured:</b> Rs. 10,00,000/- Rs. 5,00,000/- per family during the Policy Period of one year for Normal delivery Rs. 35,000 & C - Section Rs. 50,000	March 11, 2025

## INTELLECTUAL PROPERTY

Trademarks / patents / copyright/registered/objected/abandoned in the name of our company:

Sr. No	Brand Name/Logo Trademark	Class	Registration /Application Number	Owner	Current Status/ Validity	Authority	Validity
1.	<b>EFFWA</b>	42	2736768	M/s. Effwa Infra & Research Private Limited by way of takeover Agreement Dated. July 14, 2014	Registered	Trade Marks Registry, Mumbai	May 13, 2014 till May 13, 2034
2.	<b>WE ENGINEER ENVIRONMENTAL SCIENCE</b>	42	2736769		Registered		May 13, 2014 till May 13, 2034
3.		42	6381144	M/s. Effwa Infra & Research Private Limited	Formalities Check Pass		April 09, 2024

**DOMAIN:**

<b>Sr. No</b>	<b>Domain Name and ID</b>	<b>Sponsoring Registrar and ID</b>	<b>Registrant Name, ID and Address</b>	<b>Creation Date</b>	<b>Registry Expiry Date</b>
1.	<a href="https://www.effwa.co.in">https://www.effwa.co.in</a>	D5120542-IN	Effwa Infra and Research Private Limited	June 22, 2011	June 22, 2024

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 and address of the Company pursuant to change of its constitution from Private Limited to Public Limited Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE OFFER

Our Board of Directors have *vide* resolution dated May 02, 2024 authorized the Offer, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Offer, by passing a Special Resolution at the Extra Ordinary General Meeting held on May 03, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

### AUTHORISATION BY THE SELLING SHAREHOLDER

The Selling Shareholders has confirmed and authorized its participation in the Offer for Sale in relation to the Offered Shares, as set out below:

Name of the Selling Shareholder	Aggregate amount of Offer for Sale (₹ Lakhs)	Number of Equity Shares offered in the Offer for Sale	Date of board resolution/ authorization	Date of consent letter
Dr. Varsha Subhash Kamal	Up to [●]	Up to 4,65,000	May 02, 2024	May 02, 2024
Mr. Subhash Ramavtar Kamal	Up to [●]	Up to 4,72,500	May 02, 2024	May 02, 2024

The Selling Shareholders confirms that the Equity Shares offered by it as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations. For details, see “*The Offer*” on page 55.

### IN-PRINCIPLE LISTING APPROVALS

The Company has obtained approval from NSE *vide* letter dated [●] to use the name of NSE in this Offer Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoters, members of the promoter group, directors, selling shareholders are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Red Herring Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders confirms that it has not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. Further, there have not been any regulatory actions initiated against the Selling Shareholder by SEBI, RBI or any overseas regulator

### PROHIBITION BY RBI

Neither our Company, nor any of our Promoters, Directors and Selling Shareholders have been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds -

Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India

#### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET**

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Red Herring Prospectus.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholder confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

#### **ELIGIBILITY FOR THE OFFER**

Our Company is an “Unlisted Offeror” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(2) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post Issue face value capital is exceed ₹ 10 crores but does not exceed ₹ 25 crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the NSE Emerge)

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE Emerge.

- a) Our Company was incorporated on January 06, 2014, under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Hence, our Company is in existence for a period of 10 years on the date of filing the Draft Red Herring Prospectus with NSE.
- b) As on the date of this Draft Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹ 1,783.04 Lakhs comprising 1,78,30,367 Equity Shares of ₹10/- each and the Post Offer paid-up Capital (face value) will be ₹ [●] Lakhs comprising [●] Equity Shares which shall be below ₹ 25 crores.
- c) Our Company confirms that it has track record of more than 3 years.
- d) As per the Restated Financial Statements, our company has operating profit (earnings before interest, depreciation and tax excluding other income) from operations of ₹ 1,491.58 Lakhs for the period ended December 31, 2023 and ₹ 910.90 Lakhs in March 31, 2023, ₹ 697.87 Lakhs in Fiscal 2022, and ₹ 438.38 Lakhs in Fiscal 2021 i.e., in the stub period and all the 3 financial years preceding the date of this Draft Red Herring Prospectus and its net-worth is positive.
- e) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
- f) There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
- g) No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past three years against our Company.
- h) Other Disclosures:
  - We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our company in the Draft Red Herring Prospectus.
  - There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Draft Red Herring Prospectus.

- We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” on page 195 of this Draft Red Herring Prospectus.
- We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” on page 195 of this Draft Red Herring Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a) The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge platform of NSE. NSE is the Designated Stock Exchange.
- b) Our Company has entered into an agreement dated [●] with NSDL and agreement dated March 15, 2024 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be offered.
- c) The entire pre-offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d) The entire Equity Shares held by the Promoters have been dematerialized.
- e) The fund requirements set out for the Objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Offer as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Offer*” on page 78 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

1. Neither our Company nor our Promoters, members of our Promoter group or our directors is debarred from accessing the capital markets by the SEBI.
2. None of our Promoters or Directors is Promoters or director of any other companies which are debarred from accessing the capital markets by the SEBI.
3. Neither our Company nor our Promoters or Directors is a wilful defaulter or a fraudulent borrower.
4. None of our Promoters or Directors is a fugitive economic offender.

We further confirm that:

1. In accordance with Regulation 246 the SEBI ICDR Regulations, the book running lead manager shall ensure that the offeror shall file copy of the Red Herring Prospectus with SEBI along with relevant documents as required at the time of filing the Red Herring Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this offer has been one hundred percent (100%) underwritten and that the Book Running Lead Manager to the offer has underwritten at least 15% of the Total Offer Size. For further details, pertaining to said underwriting please see “*General Information*” beginning on page 55 of this Draft Red Herring Prospectus.
3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four (4) days from the date our Company becomes liable to unblock it,

then our Company and every officer in default shall, on and from expiry of fourth day, be liable to unblock such application money with interest as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable laws.

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI ICDR Regulations, with respect to the Offer.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE OFFEROR IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE OFFEROR DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SHRENI SHARES LIMITED (FORMERLY KNOWN AS SHRENI SHARES PRIVATE LIMITED) HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

**Note:** All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This offer is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the 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 the Draft Red Herring Prospectus nor any sale hereunder shall, under

any circumstances, create any implication that there has been any change in the affairs of our Company or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

### **Eligibility and Transfer Restrictions**

The Equity Shares offered in the Offer have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act, and (ii) outside the United States in “offshore transactions” as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

### **DISCLAIMER FROM OUR COMPANY, THE DIRECTORS, THE SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGER**

Our Company, Selling Shareholders, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website, [www.effwa.co.in](http://www.effwa.co.in), or the website of any affiliate of our Company, would be doing so at his or her own risk. It is clarified that none of the Selling Shareholders, nor their respective directors, affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those made or undertaken by such Selling Shareholder in relation to itself and its respective portion of the Offered Shares.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent the information pertains to such Selling Shareholder and their respective portion of Offered shares) and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its subsidiaries, our Promoters, members of the Promoter Group, the Selling Shareholder, and their affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Promoters, the Selling Shareholder, and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

None among our Company or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions

from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the NSE Emerge. The Disclaimer Clause as intimated by the NSE Emerge to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

#### **LISTING**

The Equity Shares Offered through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of NSE. Application have been made to the EMERGE Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its NSE Emerge Platform after the allotment in the Offer. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

Our company has obtained In-principle approval from NSE vide letter dated [●] to use name of NSE in the Red Herring Prospectus for listing of equity shares on NSE EMERGE.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. The Selling Shareholder, confirms that it shall extend reasonable support and co-operation (to the extent of its portion of the Offered Shares) as required by law for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period in accordance with applicable law.

#### **CONSENTS**

Consents in writing of: (a) The Selling Shareholders, Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer, the Statutory and Peer Review Auditors, the Book Running Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Market Maker have been obtained; and (b) Underwriter, Syndicate Member<sup>(1)</sup>, Share Escrow Agent<sup>(1)</sup>, Bankers to the Offer (Escrow Collection Bank, Public Offer Bank, Sponsor Banks and Refund Bank)<sup>(1)</sup>, Bankers to the Company, to act in their respective capacities, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013.

<sup>(1)</sup> *The aforesaid will be appointed prior to filing of the Red Heering Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Heering Prospectus with RoC*

#### **EXPERT OPINION**

Except as disclosed below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received a written consent dated May 06, 2024 from our Peer Review Auditor, namely, M/s. A Y & Company, Chartered Accountants, who hold a valid peer review certificate from ICAI, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Peer Review Auditor, and in respect of their (a) examination report dated May 06, 2024, on the Restated Financial Statements, and (b) report dated May 09, 2024 by the Peer Review Auditor on the statement of special tax benefits. Such consent has not been withdrawn as on the date of this Draft Red herring Prospectus. However, the term “expert” and “consent” shall not be construed to mean an “expert” and “consent” as defined under the U.S. Securities Act.

## PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE YEARS

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 67 of Draft Red Herring Prospectus, our Company has not made any capital issue during the previous three years.

Further, we do not have any other Group Companies or Subsidiary or Associate as on date of this Draft Red Herring Prospectus.

## PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 67 of this Draft Red Herring Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

### Performance vis-à-vis objects - Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

None of our Subsidiaries or Promoters are listed on any stock exchange.

## PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Shreni Shares Limited (*Formerly known as Shreni Shares Private Limited*):

Sr. No.	Issuer name	Issue size (₹ Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (in Rs.)	+/- change in closing price, [% change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- change in closing price, [% change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- change in closing price, [% change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
<b>Mainboard IPO Issues</b>								
-	-	-	-	-	-	-	-	-
<b>SME IPO Issues</b>								
1.	C P S Shapers Limited	11.10	185.00	September 07, 2023	450.00	+138.92% [-0.37%]	+149.86% [+5.72%]	+76.95% [+13.58%]
2.	Meson Valves India Limited	31.09	102.00	September 21, 2023	193.80	+203.87% [-1.26%]	+360.39% [+7.86%]	+473.73% [+9.84%]
3.	Marco Cables & Conductors Limited	18.73	36.00	September 28, 2023	38.70	+45.83% [-2.44%]	+46.25% [+9.82%]	+20.00% [+13.18%]
4.	KK Shah Hospitals Limited <sup>^</sup>	8.78	45.00	November 06, 2023	56.10	+84.00% [+6.68%]	+56.67% [+10.97%]	+22.22% [+13.73%]

Sr. No.	Issuer name	Issue size (₹ Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (in Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
5.	Swasthik Plascon Limited	40.76	86.00	December 05, 2023	120.10	+20.00% [+2.97%]	+2.33% [+6.42%]	-
6.	Net Avenue Technologies Limited	10.25	18.00	December 08, 2023	42.00	+75.28% [+3.54%]	+10.56% [+7.18%]	-
7.	AIK Pipes and Polymers Limited	15.02	89.00	January 02, 2024	100.00	+33.34% [-0.20%]	+29.21% [+2.45%]	-
8.	Delaplex Limited	46.08	192.00	February 02, 2024	309.00	+43.65% [+2.40%]	+27.08% [+3.44%]	-
9.	Gabriel Pet Straps Limited	8.06	101.00	February 07, 2024	115.00	+32.67% [+2.73%]	+45.54% [+2.42%]	-
10.	Yash Optics & Lens Limited	53.15	81.00	April 08, 2024	90.00	+10.99% [-1.61%]	-	-

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

**Notes:**

1. The BSE SENSEX and CNX NIFTY are considered as the Benchmark Index.
2. Price on BSE/NSE are considered for all the above calculations.
3. In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is not a trading day, closing price of the previous trading day has been considered.
4. In case 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, scripts are not traded then the last trading price has been considered.
5. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.

**Summary statement of price information of past issues handled by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited):**

Financial Year	Total no. of IPOs	Total funds raised (₹ Crores)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2024-2025 <sup>s</sup>	1 <sup>&amp;</sup>	53.15	-	-	-	-	-	1	-	-	-	-	-	-
2023-2024 <sup>@</sup>	13 <sup>**</sup> *	260.67	-	-	-	6	6	1	-	-	-	6	-	2
2022-2023	10 <sup>**</sup>	156.29	-	-	-	5	2	3	-	-	1	5	-	4

**\*\*The script of Fidel Softech Limited, SKP Bearing Industries Limited, Olatech Solutions Limited, Ameya Precision Engineers Limited, DAPS Advertising Limited, Amiable Logistics (India) Limited, PNGS Gargi Fashion Jewellery Limited, Arihant Academy Limited, Srivasavi Adhesive Tapes Limited and Bright Outdoor Media Limited were listed on June 10,**

2022, July 13, 2022, August 29, 2022, September 08, 2022, November 14, 2022, November 16, 2022, December 20, 2022, December 29, 2022, March 09, 2023 and March 24, 2023 respectively.

\*\*\*The script of Sancode Technologies Limited, Veefin Solutions Limited, Global Pet Industries Limited, AccelerateBS India Limited, C P S Shapers Limited, Meson Valves India Limited, Marco Cables & Conductors Limited, KK Shah Hospitals Limited, Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited were listed on April 18, 2023, July 05, 2023, July 10, 2023, July 19, 2023, September 07, 2023, September 21, 2023, September 28, 2023, November 06, 2023, December 05, 2023, December 08, 2023, January 02, 2024, February 02, 2024 and February 07, 2024 respectively.

@ The script of Swasthik Plascon Limited, Net Avenue Technologies Limited, AIK Pipes and Polymers Limited, Delaplex Limited and Gabriel Pet Straps Limited have not completed 180 days from the date of listing.

§The script of Yash Optics & Lens Limited has not completed 180 days from the date of listing.

& The script of Yash Optics & Lens Limited was listed on April 08, 2024.

^ In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 244(3) of the SEBI ICDR Regulations, Shreni Shares Limited being associate of KK Shah Hospitals Limited and its role was limited to marketing of the Issue.

**Note:** Rights Issues lead managed by Shreni Shares Limited (Formerly known as Shreni Shares Private Limited) have not been included in the abovementioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGER**

For details regarding track record of the Book Running Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.shreni.in](http://www.shreni.in).

#### **STOCK MARKET DATA OF EQUITY SHARES**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer 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 Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, UPI ID, date of the submission of Bid cum Application Form, address of the Bidder, number of the 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 Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

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

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund

intimations and non-receipt of funds by electronic mode. For offer related grievance investors may contact Book Running Lead Managers, details of which are given in “General Information” on page 58.

SEBI, by way of its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (“March 2021 Circular”) read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (“June 2021 Circular”) and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, SEBI vide its June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

As per the March 2021 Circular read with the June 2021 Circular and amended by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank(s) to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/ partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

<b>Scenario</b>	<b>Compensation amount</b>	<b>Compensation period</b>
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchange till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the Selling Shareholder, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, 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.

For helpline details of the Book Running Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “*General Information – Book Running Lead Manager*” on page 55 of this Draft red Herring Prospectus.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholder, the BRLM and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLM.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has also appointed Mr. Dhaval H Mirani, Company Secretary and Compliance officer for the Offer. For details, see “*General Information*” beginning on page 55 of this Draft red Herring Prospectus.

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on May 02, 2024 has also constituted a Stakeholders’ Relationship Committee. The composition of the Stakeholders’ Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Priyesh Bharat Somaiya	Non-Executive Independent Director	Chairman
Mr. Vijay Prahladbhai Vyas	Non-Executive Independent Director	Member
Mr. Subhash Ramavtar Kamal	Whole Time Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page 150 of this Draft Red Herring Prospectus.

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

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

#### **Other confirmations**

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION IX – OFFER INFORMATION

### TERMS OF THE OFFER

*The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital, offer for sale, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authorities while granting its approval for the Offer, to the extent and for such time as these continue to be applicable.*

#### THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. The fees and expenses relating to the Offer shall be borne by each of our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in accordance with applicable law. For details in relation to the sharing of Offer expenses amongst our Company and the Selling Shareholder, see “*Objects of the Offer*” on page 78.

#### RANKING OF EQUITY SHARES

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares being offered and allotted shall be subject to the provisions of the Companies Act 2013, our Memorandum of Associations and Articles of Association shall rank pari passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section titled “*Main Provisions of the Articles of Association*” beginning on page 256 of this Draft Red Herring Prospectus.

#### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been allotted or transferred Equity Shares pursuant to the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” beginning on page 169 and 256, respectively of this Draft Red Herring Prospectus.

#### FACE VALUE, OFFER PRICE, FLOOR PRICE AND PRICE BAND

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, after the Bid/ Offer Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

#### COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

1. Right to receive dividends, if declared;
2. Right to attend general meetings and exercise voting rights, unless prohibited by law;
3. Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
6. Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI LODR Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Main Provisions of the Articles of Association*” beginning on page 256 of this Draft Red Herring Prospectus.

## **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite agreement dated March 15, 2024 amongst our Company, CDSL and Bigshare Services Private Limited.
2. Tripartite agreement dated [●] between our Company, NSDL and Bigshare Services Private Limited.

For details in relation to the Basis of Allotment, see “*Offer Procedure*” on page 233.

## **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.

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the Emerge platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.*

## **MINIMUM NUMBER OF ALLOTTEES**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Issue

## **JOINT HOLDERS**

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

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

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

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.**

## **JURISDICTION**

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

## **NOMINATION FACILITY TO THE INVESTOR**

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our registered office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchange.

## WITHDRAWAL OF THE OFFER

Our Company and Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

The BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. In terms of the UPI Circulars, in relation to the Offer, the BRLM will submit reports of compliance with the applicable listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company withdraws the offer after the offer Closing Date and thereafter determines that it will proceed with an Issue, our Company shall file a fresh Prospectus.

## BID/OFFER PROGRAM

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
<b>Bid/Offer Opens on</b>	[●] <sup>(1)</sup>
<b>Bid/Offer Closes on</b>	[●] <sup>(2)(3)</sup>
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before [●]
<b>Initiation of Refunds / unblocking of funds from ASBA Account*</b>	On or before [●]
<b>Credit of Equity Shares to demat account of the Allottees</b>	On or before [●]
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before [●]

- Our Company and the Selling Shareholders in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*
- Our Company and the Selling Shareholders in consultation with the BRLM, may consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations*
- UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Offer Closing Date, i.e. [●]*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the Self Certified Syndicate Bank(s) (“SCSB”), to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the

remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, for which the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fee for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023.

**The above timetable other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholder or the BRLM.**

**Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within such time as prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholder in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within three days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within such time as prescribed by SEBI.**

**The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

#### **Submission of Bids (other than Bids from Anchor Investors)**

<b>Bid/ Offer Period (except the Bid/ Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/Offer Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, Eligible Employees Bidding in the Employee Reservation Portion other than QIBs and NIIs	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST

Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Modification/ Revision/cancellation of Bids</b>	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories <sup>#</sup>	Only between 10.00 a.m. and up to 5.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

\* UPI mandate and time and date shall be at 5:00 p.m. on Bid/Offer Closing Date

<sup>#</sup> QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit confirmation to the BRLMs and the RTA on the daily basis.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to the limitation of time available for uploading the Bid-Cum - Application Forms on the Bid/Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum - Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

Our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

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

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

**In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

## **MINIMUM SUBSCRIPTION**

This offer is not restricted to any minimum subscription level. This offer is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

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 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 offer through the offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond Two days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer prior to the Equity Shares offered pursuant to the Offer for Sale.

However, in case of under-subscription in the Offer, after meeting the minimum subscription requirement of 100% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale in a proportional manner; and (ii) through the issuance of balance part of the Fresh Issue.

The Selling Shareholders shall reimburse, severally and not jointly, and only to the extent of the Equity Shares offered by the Selling Shareholders in the Offer, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders in relation to its portion of the Offered Shares.

The minimum number of allottees in this offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this offer and the monies blocked by the SCSBs shall be unblocked within Two (2) working days of closure of Issue.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our offer shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through this Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

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

The requirement for minimum subscription is not applicable to the Offer for Sale. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the following order: (i) In the first instance towards subscription for 90% of the Fresh Issue; (ii) If there remain any balance valid Bids in the Offer, the Allotment for the 397 balance valid Bids will be made: (a) first towards Equity Shares offered by the Selling Shareholders in such manner as specified in the Offer Agreement; and (b) and only then, towards the remaining Equity Shares in the Fresh Issue.

## **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge.

## **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for the lock-in of the pre-offer capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "Capital Structure" beginning on page 67 of this Draft Red Herring Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association" beginning on page 256 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 hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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.*

## **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

## **ALLOTMENT OF SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

## **APPLICATION BY ELIGIBLE NRIS, FPIS OR VCFS REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or offer of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or offer of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **MIGRATION TO MAIN BOARD**

In accordance with the NSE Circular dated March 10, 2014, further revised vide circulars dated April 18, 2018 and January 21, 2021 our Company will have to be mandatorily listed and traded on the Emerge Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI(ICDR) Regulations, NSE has reviewed and revised the migration policy effective from April 20, 2023 from NSE Emerge to NSE Main board and has further and revised the migration policy effective from April 20, 2024 from NSE Emerge to NSE Main board vide Circular dated March 07, 2024 as follows.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the Emerge Platform on a later date subject to the following:

### **1. Paid up Capital & Market Capitalisation:**

The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalization of the applicant's equity shall not be less than 25 crores\*\*

*\*\* Explanation: For this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares.*

### **2. Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT):**

The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.

### **3. Listing period**

The applicant should have been listed on SME platform of the Exchange for at least 3 years.

### **4. Other Listing conditions**

- The applicant Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- The company has not received any winding up petition admitted by a NCLT.
- The net worth\* of the company should be at least 75 crores.

*\*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.*

### **5. Public Shareholders**

Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1000.

### **6. The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:**

- The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
- Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
- Redressal mechanism of Investor grievance.
- PAN and DIN no. of Director(s) of the Company.
- Change in Control of a Company/Utilisation of funds raised from public.

## **MARKET MAKING**

The shares Offered through this offer are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE Emerge. For further details of the market making arrangement please refer the chapter titled “General Information” beginning on page 55 of this Draft Red Herring Prospectus.

## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229 (2) of the Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ₹10 crores and up to ₹25 crores, The Company shall offer specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the offer*” and “*offer Procedure*” beginning on page 220 and 233 respectively, of this Draft Red Herring Prospectus.

### OFFER STRUCTURE

The Offer is of up to 63,00,000 Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] Lakhs comprising a Fresh Issue of up to 53,62,500 Equity Shares aggregating up to ₹[●] Lakhs and an Offer for Sale of up to 9,37,500 Equity Shares aggregating up to ₹[●] Lakhs by the Selling Shareholders.

The Offer comprises a reservation of [●] Equity Shares of face value of ₹10/- each for subscription by the designated Market Maker (“**the Market Maker Reservation Portion**”) and Net Offer to Public of [●] Equity Shares of face value of ₹10/- each (“**the Net Offer**”). The Offer and the Net Offer will constitute [●] and [●], respectively of the post Offer paid-up equity share capital of the Company. The Offer is being made through the Book Building Process.

The Offer is being made through the Book Building Process.

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non - Institutional Investors/Bidders	Retail Individual Investors/Bidders
<b>Number of Equity Shares available for allocation or allotment <sup>(2)</sup></b>	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation	Not less than [●] Equity Shares available for allocation
<b>Percentage of Offer Size available for Allocation or allotment</b>	[●] of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
<b>Basis of Allotment <sup>(3)</sup></b>	Firm allotment	Proportionate as follows (excluding the Anchor Investor Portion):  (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) Up to [●] Equity Shares shall be available for allocation on a proportionate	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares. For details, see “ <i>Offer Procedure</i> ” beginning on page 233 of this Draft Red Herring Prospectus.	Proportionate basis subject to minimum allotment of [●] Equity Shares. For details, see “ <i>Offer Procedure</i> ” beginning on page 233 of this Draft Red Herring Prospectus.

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non - Institutional Investors/Bidders	Retail Individual Investors/Bidders
		<p>basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Up to 60% of QIB Portion (of upto [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>		
<b>Mode of Bid</b>	Only through ASBA Process	ASBA only except for Anchor Investors <sup>(4)</sup>	Only through ASBA Process	Through ASBA Process, Through Banks or by using UPI ID for payment
<b>Mode of allotment</b>	Compulsorily in dematerialized form			
<b>Minimum Bid Size</b>	[●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹2.00 Lakhs	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor portion), subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹2.00 Lakhs
<b>Bid Lot</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Who can apply? <sup>(5)</sup></b>	Market Maker	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹2.00 Lakhs in value

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non - Institutional Investors/Bidders	Retail Individual Investors/Bidders
		company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs , pension fund with minimum corpus of ₹2500 lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules.		
<b>Terms of Payment</b>	<p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p> <p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(6)</sup></p>			

- (1) Our Company and Selling Shareholders in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, (ii) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to ₹2,500.00 Lakhs, and an additional ten Anchor Investors for every additional ₹2,500.00 Lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 Lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 Lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, this is an Offer for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI ICDR Regulations.
- (3) Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and Selling Shareholders in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (4) Anchor Investors are not permitted to use the ASBA process
- (5) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

- (6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (7) *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

The Bids by FPIs with certain structures as described under “*Offer Procedure*” on page 233 of this Draft Red Herring Prospectus and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “*Terms of the Offer*” on page 220.

**In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.**

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment

## OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by UPI Bidders through intermediaries from January 1, 2019. The UPI Mechanism for UPI Bidders applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (**UPI Phase I**).

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023.

The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, in accordance with the SEBI master circular

no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide the SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The Book Running Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

Our Company, the Selling Shareholder and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company, the Selling Shareholder and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/freeze the ISIN in depository system till listing/trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/freeze the ISIN in depository system from or around the date of the Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

## **BOOK BUILDING PROCEDURE**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and Selling Shareholders in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size more than ₹ 200,000 to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 in accordance with the SEBI ICDR Regulations, and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

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 and Selling Shareholders in consultation with the Book Running Lead Manager, and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer 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. In case of an undersubscription in the Net Offer, the Equity Shares proposed for sale by the Selling Shareholder shall be in proportion to the Offered Shares by the Selling Shareholder.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**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, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO, subject to applicable law.**

## **PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE**

SEBI has issued the UPI Circulars in relation to streamlining the process of public Offer of, inter alia, equity shares. Pursuant to the SEBI circular bearing number. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("Previous UPI Circulars") and 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 Offer closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public offer closure to listing continued to be six Working Days. For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

**Phase II:** This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public offer closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public offer closure to listing has been reduced from six Working Days to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

### **The offer is being made under Phase III of the UPI:**

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

#### **ELECTRONIC REGISTRATION OF BIDS**

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

#### **BID CUM APPLICATION FORM**

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchange ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs Bidding using the UPI Mechanism must provide the 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 (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

- (ii) (QIBs and Non-Institutional Bidders (other than Non-Institutional Bidders using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. UPI Bidders authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The upload of the details in the electronic bidding system of stock exchange will be done by:

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with 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/2021/2480/1/M dated March 16, 2021.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application form*
Resident Indians, including QIBs, Non-institutional Investors and Retail Individual Bidders, each resident in India and Eligible NRIs applying on a non-repatriation basis.	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors**	[●]

\* Excluding electronic Bid cum Application Form.

\*\* Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Manager. Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)).

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm IST on the Bid/ Issue Closing Date (“**Cut-Off Time**”).

Accordingly, UPI Bidders should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Manager for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send

SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with the SEBI RTA Master Circular.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that trading members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹ 500,000 and NII and QIB bids above ₹ 200,000, through SCSBs only.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the Book Running Lead Manager in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

### **Who Can Apply?**

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;

15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - (a) Minors (except through their Guardians)
  - (b) Partnership firms or their nominations
  - (c) Foreign Nationals (except NRIs)
  - (d) Overseas Corporate Bodies

**PARTICIPATION BY PROMOTERS, PROMOTER GROUP, THE BOOK RUNNING LEAD MANAGER, THE SYNDICATE MEMBERS AND PERSONS RELATED TO PROMOTERS/PROMOTER GROUP/THE BOOK RUNNING LEAD MANAGER**

The Book Running Lead Manager and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- (ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- (iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- (iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Manager.

**Except to the extent of participation in the Offer for Sale by the Promoter, the Promoter Group will not participate in the Offer.**

#### **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 and the Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NON-RESIDENT INDIANS**

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their NRE accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their NRO accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 255 of this Draft Red Herring Prospectus.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder:

XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids/Applications by HUFs may be considered at par with Bids from individuals.

## **BIDS BY FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post- offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (“**MIM Structure**”), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued

only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the offer shall be subject to the FEMA Rules

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form *"exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus."*

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "FPI Group") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹2,500.00 lakhs and pension funds with a minimum corpus of ₹2,500.00 lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Selling Shareholders in consultation with the Book Running Lead Manager in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

#### **BIDS BY SEBI REGISTERED VCFs, AIFs AND FVCIs**

The SEBI FVCI Regulations, inter alia, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the offer shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "Banking Regulation Act"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

#### **BIDS BY SCSBs**

SCSBs participating in the offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("IRDAI Investment Regulations"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹2,500.00 lakhs, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Book Running Lead Manager, reserve the right to reject any Bid, without assigning any reason thereof.

#### **BIDS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company and Selling Shareholders in consultation with the Book Running Lead Manager, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time

#### **BIDS BY ANCHOR INVESTORS**

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

- 1) Anchor Investor Application Forms will be made available for the Anchor Investors Portion at the offices of the Book Running Lead Manager.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ offer Opening Date and be completed on the same day.
- 5) Our Company and the Selling Shareholders in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation up to ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Book Running Lead Manager before the Bid/ offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

- 9) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 10) Neither the (a) Book Running Lead Manager or any associate of the Book Running Lead Manager (other than mutual funds sponsored by entities which are associate of the Book Running Lead Manager or insurance companies promoted by entities which are associate of the Book Running Lead Manager or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Manager or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Manager) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

For more information, please read the General Information Document.

**The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.**

### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **GENERAL INSTRUCTIONS**

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid Period.

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that your PAN is linked with Aadhaar and you are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021
3. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
4. Ensure that you have Bid within the Price Band;
5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

6. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
8. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party
9. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;
10. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
11. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
12. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
13. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
21. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
22. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;
23. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in));
24. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
25. Ensure that the Demographic Details are updated, true and correct in all respects;
26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;
27. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Banks issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks offer a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
29. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
30. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;
31. Bids by Eligible NRIs for a Bid Amount of less than ₹2.00 lakhs would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹2.00 lakhs would be considered under the Non-Institutional Category for allocation in the Issue;
32. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

33. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.
34. The ASBA bidders shall ensure that bids above ₹5.00 lakhs, are uploaded only by the SCSBs.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.**

***Don'ts:***

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹2.00 lakhs (for Bids by RIBs) and ₹5.00 lakhs for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
18. Anchor Investors should not bid through the ASBA process;
19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not submit the GIR number instead of the PAN;
22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Manager;
23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/ Offer Closing Date;
25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Issue;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
31. Do not Bid if you are an OCB;
32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and
33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders.
34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹5.00 lakhs;

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information – Book Running Lead Manager” on page 88. Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Chief Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information – Company Secretary and Compliance Officer” on page 87. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding the prescribed Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLM shall continue to coordinate with intermediaries involved in the said process.

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/22/2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹2.00 lakhs;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/ Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre- offer or post offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see “*General Information*” beginning on page 55 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 three Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

#### **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE OFFERS**

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 Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME**

Our Company will not make any allotment in excess of the Equity Shares offered through this Offer document.

The allotment of Equity Shares to bidders other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not less than 15% of the Net offer shall be available for allocation to Non-Institutional Bidders

in accordance with the SEBI ICDR Regulations. Further, the allocation to each Non-Institutional Investor shall not be less than Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

#### **PAYMENT INTO ANCHOR INVESTOR ESCROW ACCOUNTS**

Our Company and the selling shareholders in consultation with the Book Running Lead Manager will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

#### **PRE- OFFER ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra where our Registered Office is located) each with wide circulation.

In the pre- offer advertisement, we shall state the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **ALLOTMENT ADVERTISEMENT**

Our Company and the Selling Shareholders the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located) each with wide circulation.

**The information set out above is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND FILING WITH THE ROC**

Our company has entered into an Underwriting Agreement dated [●].

After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

#### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Offer*” on page 367.

#### **IMPERSONATION**

**Attention of the bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

*“Any person who:*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹10.00 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders. the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within three Working Days from the Bid/ Offer Closing Date or such other prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoters' contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

#### **UNDERTAKINGS BY THE SELLING SHAREHOLDERS**

Each Selling Shareholders severally and not jointly, in respect of itself as a Selling Shareholders and its portion of the Equity Shares offered by it in the Offer, undertakes the following in respect of itself and its respective portion of the Offered Shares:

- its Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall provide reasonable cooperation to our Company in relation to the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable);
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the respective portion of the Offered Shares;
- it shall deposit its portion of Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement;
- it is the legal and beneficial owner of the Offered Shares that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances; and
- it shall not have recourse to the proceeds of the Offer, which shall be held in escrow in its favour, until the final approval for listing and trading of the Equity Shares from the Stock Exchanges where listing is sought has been received.

#### **UTILISATION OF OFFER PROCEEDS**

Our Company and the Selling Shareholders, severally and not jointly, specifically confirm that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI SAST Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, FDI in companies engaged in the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 233 of this Draft Red Herring Prospectus. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares issued in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. Accordingly, the Equity Shares are only being issued and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those issues and sales occur.**

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

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations

## SECTION X – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

#THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES  
(Incorporated under the Companies Act, 1956)

ARTICLES OF ASSOCIATION @

OF

\* EFFWA INFRA & RESEARCH LIMITED

### 1. CONSTITUTION OF THE COMPANY

#### a. Table “F” not to apply but company to be governed by these Articles

No regulations contained in Table “F” of Schedule I to the Companies Act, 2013 (“**Table F**”) as are applicable to a public company limited by shares, shall apply to the Company except: (a) so far as they are not inconsistent with any of the provisions contained in these articles or modifications thereof; or (b) to the extent that there is no specific provision in these articles. In case of any conflict between the provisions of these articles and table F, the provisions of these articles shall prevail.

#### b. Applicability of Stock Exchange Regulations

Notwithstanding anything contained herein in these Articles, any inconsistency as to clause or time stipulated therein with the regulations and conditions of listing agreement of applicable stock exchanges, where the shares/securities of the Company are listed, shall stand modified so as to be consistent with the regulations and conditions of the listing agreement as amended from time to time.

Where any regulations and conditions as modified from time to time of any recognized stock exchange/s, which are required to be stipulated and included in the articles of association of a company at the time of listing of shares / securities or thereafter, these Articles shall stand to have been modified or amended so as to include such regulation and condition without further requirement of alteration of the Articles of Association of the Company.

### DEFINITIONS AND INTERPRETATION

In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:

#### THE ACT

“The Act” means the Companies Act, 2013 and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory modification or re-enactment thereof for the time being in force.

#### ARTICLES

The “Articles” or “Articles of Association” means these articles of association of the Company or as altered from time to time.

#### BOARD OR BOARD OF DIRECTORS

“Board” or “Board of Directors” means the board of directors of the Company, as constituted from time to time.

#### CHAIRMAN/ CHAIRPERSON

“The Chairman/ Chairperson” means the Chairman/ Chairperson of the Board of Directors

## **THE COMPANY OR THIS COMPANY**

“The Company” or “This Company” means **EFFWA INFRA & RESEARCH LIMITED**

## **RULES**

Rules means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

## **LAW**

“Law/Laws” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental Authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

## **MONTH**

“Month” means a calendar month.

## **PERSONS**

“Person” or “person” shall mean any natural person, limited or unlimited liability company, body corporate or corporation, limited liability partnership, partnership (whether limited or unlimited), proprietorship, voluntary association, joint venture, unincorporated organization Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity, whether incorporated or not, that whether acting in an individual, fiduciary or other capacity may be treated as a person under applicable law.

## **GENDER**

Words importing one gender also include the other gender(s).

## **SINGULAR NUMBER**

Words importing the singular number include, where the context admits or requires, the plural number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

## **SEBI**

“SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

## **SEBI LISTING REGULATIONS**

“SEBI LISTING REGULATIONS” shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

## **SECURITY” OR “SECURITIES**

“SECURITY” OR “SECURITIES” shall mean any Share (including Equity Shares), scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

## **SHARES” OR SHARES**

“Shares” or “shares” shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

#### **SHAREHOLDER OR SHAREHOLDER OR MEMBER**

“Shareholder” or “shareholder” or “member” shall mean any shareholder of the Company, from time to time.

#### **SHAREHOLDERS’ MEETING**

“**Shareholders’ Meeting**” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

#### **STOCK EXCHANGES**

“**Stock Exchanges**” shall mean Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

#### **EXPRESSION IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES**

Unless the context otherwise requires, words and expressions contained in these Articles shall bear the same meaning as in the Act. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined.

Words and expressions occurring, but not defined, in these Articles and defined in the Act, SCRA, SEBI Act or regulations/notifications/circulars issued by SEBI (from time to time) shall have the same meanings respectively assigned to them thereunder or in any statutory.

### **2. PUBLIC COMPANY**

The company is a public company as defined in Section 2(71) of the Act.

### **3. #CAPITAL, SHARES AND CERTIFICATES**

The Authorized Share Capital of the Company is as stated in the **Clause 5th** of the Memorandum of Association with the rights, privileges and conditions attached thereto as provided in law for the time being in force with powers to the Company to issue share capital as provided under Section 43 of the Act and Applicable Law and divide share capital for the time being of the Company into several classes / kinds (being those specified in the Act) and to attach thereto respectively such preferential, qualified, differential or special rights, privileges or conditions as may be determined by or in accordance with the law or the Articles of Association of the Company for the time being in force and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the law for the time being in force or provided by the Articles of Association of the Company.

Subject to the provision of the Act and Rules Applicable Law and these articles, the Board may issue and allot shares, in such proportion and in the capital of the Company in consideration of payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business or as sweat equity or ESOP or any other scheme and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than cash and if so issued shall be deemed to be fully paid or partly paid up shares as the case may be or otherwise dispose of the same or any of them to such person in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

#### **a. Increase of Capital by the Company**

The Company in general meeting may from time to time, by ordinary resolution, increase the capital by creation of new shares and of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at a general meeting of the Company in conformity with Sections 47 of the Act.

**b. Issue of Securities**

Subject to the provisions of the Act and the rules and other applicable laws the Company shall have the right to issue any kind of shares/ securities / warrants having such rights as to conversion, redemption or otherwise and other terms and conditions and for consideration in cash or in consideration of any property or asset of any kind wherever sold or transferred goods or machinery supplied or for services rendered to the Company in the conduct of its business.

**c. Preference Shares**

Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more class which are liable to be redeemed or converted into equity shares on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules.

**d. Shares under the control of the Board**

Subject to the Section 62 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 issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions either at a premium or at par or at a discount (subject to the compliance with the provision of Section 53 of the Act) and at such times as it may from time to time think fit and proper, and with full power of the sanction of the Company in General Meeting, to give to any Person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and is so issued, shall be deemed to be fully paid up shares.

Provided that the option or right to call of shares shall not be given to any persons except with the sanction of the Company in General Meeting.

**e. Purchase / Buy Back of Shares**

Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other laws for the time being in force, the Company shall be entitled to purchase its own shares or other specified securities on such terms as deemed fit by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

**f. Reduction of capital**

The Company may (subject to the provisions of Section 52, 55, 66, 67and/or other applicable provisions, if any, of the Act) from time to time by special resolution, reduce (a) its share capital, (b) any capital redemption, reserve account, or (c) any share premium account in any manner and with and subject to any incidents, authorise the consent required by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. The Article is not to derogate from any power the Company would have if it were omitted.

**g. Consolidation, Division, Sub-Division and Cancellation of Shares**

Subject to the provisions of the Article and Section 61 of the Act, the Company in general meeting may from time to time by an ordinary resolution in General Meeting g from time to time, a alter the conditions of its Memorandum as follows that is to say:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel shares which, at the date of the 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. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of share capital within the meaning of the Act.

## **h. Modification of Rights**

- (i) Whenever the capital, by reason of the issue of shares including preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be varied, modified, commuted, affected or abrogated, or dealt with, with the consent in writing of the holders of not less than three-fourths of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article, is not to derogate from any power the Company would have if this Article was omitted.
- (ii) The rights conferred upon the holders of the shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the offer of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking paripassu there with. This Article, is not to derogate from any power the Company would have if this Article was omitted.

## **i. Issue of Further Shares Not to Affect Rights of Existing Members**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith. This Article, is not to derogate from any power the Company would have if this Article was omitted.

## **j. Further Issue of Shares/Securities**

A further issue of shares/securities may be made in any manner whatsoever as the Board may determine including by way of preferential offer, private placement, rights issue, bonus issue, pursuant to employee stock options, sweat equity or in any other manner as permitted by the Act and at such time as the Board may from time-to-time think fit.

## **k. Issue of Shares to Employees**

Subject to applicable rules and regulation, the Board may issue and allot shares/securities as sweat equity or under employees stock option scheme. The Board is authorised absolutely at its sole discretion to determine the terms and conditions of issue of such shares and modify the same from time to time.

## **l. Liability of Members**

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amounts, at such time or times, and in such manner as the Board of Directors shall from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

## **m. Registers to be Maintained by the Company**

The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

- (I) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India.
- (II) A register of Debenture holders; and
- (III) A register of any other security holders.

The Company may keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

#### **n. Share Certificates**

- (a) The Company shall cause to be kept a register of members in accordance with Section 88 of the Act and the Depositories Act, with the details of the shares held in Dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.

Every person whose name is entered as a member in the register of members shall be entitled to receive, within two months after allotment (or within such other period as the conditions of issue shall provide), or within fifteen days after the application for the registration of transfer or transmission is received by the Company, without payment, certificate for all the shares registered in his name, every share certificate specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence.

- (b) Certificate of title to shares shall be issued and shall be signed in conformity with the provisions of the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of share certificates and maintenance of books and documents relating to issue of share certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within two months after the allotment unless the conditions of issue of shares provide otherwise.
- (c) Any two or more joint allottees or holders of share shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of the certificate for a share to one of several joint shareholders shall be sufficient delivery to all such holder.

#### **o. Fractional Certificates**

- (a) If and whenever, as a result of issue of new shares on consolidation or sub-division of shares, any member becomes entitled to any fractional part of a share, the Board may subject to the provisions of the Act and these Articles and to the directions, if any, of the Company in General Meeting: -
- (i) Issue to such member fractional certificate or certificates representing such fractional part. Such fractional certificate or certificates shall not be registered, nor shall they bear any dividend until exchanged with other fractional certificates for an entire share. The Directors may, however, fix the time within which such fractional certificates are to be exchanged for an entire share and may extend such time and if at the expiry of such time, any fractional certificates shall be deemed to be canceled and the Directors shall sell the shares represented by such canceled fractional certificates for the best price reasonably obtainable or
- (ii) Sell the shares represented by all such fractional parts for the best price reasonably obtainable.
- (b) In the event of any shares being sold, in pursuance of sub-clause (a) above, the Company shall pay and distribute to and amongst the persons entitled, in due proportion the net sale proceeds thereof.
- (c) For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the same.
- (d) The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
- (e) Notwithstanding the above, the Board shall have power to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares/securities becoming distributable in fractions.

**p. Renewal of Share Certificate**

No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfers have been fully utilised.

Provided further that in case of any share certificate being lost or destroyed or if there be no further space on the bank for endorsement of transfer, the Company may issue a duplicate certificate in place of the certificate so lost or destroyed on such terms as to evidence out of pocket expenses in regard to investigation of such evidence and on execution of indemnity as the Board may determine.

The Company shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn-out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgement.

Provided that notwithstanding what is stated above, the Board shall comply with such rules or regulation or requirements of any stock exchanges or the rules made under the Act or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

**q. Company not bound to recognize any Interest in Share other than Registered Holder**

Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles expressly provided) any right in respect of a share other than an absolute right thereto/ in accordance with these Articles, in the person whose name appears in the Register of Members as holder of shares or whose name appears as the beneficial owner of the shares in the records of the depository, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

**4. Company entitled to Dematerialise its Shares and Securities**

Notwithstanding anything contained in the Articles of Association, the Company shall be entitled to dematerialize its shares, debenture and other securities in a dematerialised form held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 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.

Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

The Company shall further be entitled to maintain a Register of Members with the details of members holding shares/securities both in material and dematerialised form in any media as permitted by law including any form of electronic media.

## **5. GENERAL AUTHORITY**

Where in the Act, it has been provided that a company shall have any right, privilege or authority or that a company could carry out any transactions only if such company is so authorized by its articles of association, in every such case this Articles of Association hereby authorizes and empowers the Company, its Board, its Directors and/or its members 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 provision in that behalf herein. Following are a few illustrations of such rights, privileges, authorities and transactions as set out with relevant Section numbers from the Act:

Section 40: to pay commission on issue of shares and debentures

Section 43: to issue shares with differential voting rights

Section 48: to alter rights of holders of special class of shares

Section 50: to accept amount on share capital although not called up

Section 51: to pay dividend in proportion to amount paid-up

Section 55: to issue preference shares.

Section 61: to alter the share capital of the company

Section 42: to issue shares on preferential basis

Section 62: to further issue shares/securities

Section 63: to issue bonus shares

Section 68: to buy back the shares of the Company

Section 88: to keep foreign register of members of debenture holders

Section 161: to appoint additional, alternate and nominee directors

The above authority does not include rights, privileges, authorities under Section 163 of the Act.

## **6. POWER TO PAY COMMISSION IN CONNECTION WITH SECURITIES ISSUED**

The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules.

3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

## **7. BROKERAGE**

The Company may on any issue of shares, debentures or any other securities pay such brokerage or commission as may be prescribed under the Act.

## **8. CALLS**

### **a. BOARD MAY MAKE CALLS**

Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by a circular resolution) make such calls as it thinks fit upon the members in respect of moneys unpaid on the shares, whether on account of the nominal value of the shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the person or persons and at the

times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine at any time.

**b. NOTICE OF CALLS**

At least Fourteen (14) days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid provided that before the time for payment of such call, the Board may revoke or postpone the same.

**c. CALLS TO TAKE EFFECT FROM THE DATE OF RESOLUTION**

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board of Directors.

**d. CALLS ON SHARES OF SAME CLASS TO BE ON UNIFORM BASIS**

All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of different class having the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

**e. BOARD MAY EXTEND TIME**

The Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of any call, and may extend such times as to all or any of the members who, on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension, but no member shall be entitled to such extension as of right except as a matter of grace and favour.

**f. AMOUNT PAYABLE AT FIXED TIME OR BY INSTALMENTS TO BE TREATED AS CALLS**

If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable by the person who for the time being and from time to time is or shall be the registered holder of the shares or legal representative of a deceased registered shareholder, as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

**g. Deposit and Call, etc. to be Debt Payable**

The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**h. Interest on Call or Installment**

If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at the rate as may be determined by the Board from the due date appointed for the payment thereof till the time of actual payment. However, the Board may waive payment of such interest wholly or in part. In case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

**i. Partial Payment not to Preclude Forfeiture**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof 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 shares either by way of principal or interest

nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

**j. PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST**

- (a) The Board of Directors may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest, at such rate as may be decided by the Board according to the provisions of the Act. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months' notice in writing.
- (b) No member paying any such sum in advance shall be entitled to voting rights or dividend or to participate in profits in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles relating to calls on shares shall mutatis mutandis apply to any other securities including debentures of the Company.

9. **LIEN**

**(a) Company to have Lien on Shares/ Debentures**

The Company shall have a first and paramount lien upon all shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares/debentures and no equitable interests in any such share/debentures shall be created except upon the footing and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of shares/ debentures.

Unless otherwise agreed, the registration of a transfer of such shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures. PROVIDED THAT the Board of Directors may, at any time, declare any share/ debentures to be wholly or in part exempt from the provisions of this Article.

**(b) As to Enforcing Lien by Sale**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. PROVIDED THAT no sale shall be made:

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issue a duplicate certificate in respect of such shares and may authorise one of the members to execute a transfer thereof on behalf of and in the name of such members.

**(c) Transfer of Shares sold under Lien**

- (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereto;
- (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer;
- (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

- (4) The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**(d) Application of proceeds of sale**

- (1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable, and
- (2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

**(e) Outsider's lien not to affect company's lien**

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

**10. JOINT HOLDERS**

**a. THE FIRST NAMED OF JOINT HOLDERS DEEMED SOLE HOLDER**

If any share stands in the names of two or more persons, first named in the register shall, as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holder of a share shall, severally as well as jointly, be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the Company's regulations.

Where two or more persons are registered as the holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefit of survivorship subject to the following and other provisions contained in these articles: -

**b. NOT MORE THAN FOUR**

- (a) The Company shall not be bound to register more than four persons as the holders of any share.
- (b) The joint holders of any share shall be liable severally as well as jointly for and in respect of all installments, calls and other payments which ought to be made in respect of such share.

**c. TITLE OF SURVIVORS**

On the death of any of such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

**d. RECEIPT OF ONE SUFFICIENT**

Any one of such joint holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

**e. DELIVERY OF CERTIFICATE AND GIVING OF NOTICE**

Only the person whose name stands first in the Register of Members as one of the joint holders of any share unless otherwise directed by all of them in writing shall be entitled to delivery of certificate relating to such share or to receive any documents from the Company and any document served on or sent to such person shall be deemed service on all the joint holders.

The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

## 11. **FORFEITURE OF SHARES**

### **a. IF MONEY PAYABLE ON SHARES NOT PAID NOTICE TO BE GIVEN TO MEMBER**

If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### **b. ALLOTMENT MONEY SHALL BE DEEMED TO BE A CALL**

For the purpose of provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

### **c. EFFECT OF NONPAYMENT OF SUMS**

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

### **d. FORM OF NOTICE**

The notice shall name a day (not being less than fourteen (14) days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

### **e. IN DEFAULT OF PAYMENT SHARES TO BE FORFEITED**

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect by the forfeited shares and not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

### **f. NOTICE OF FORFEITURE TO A MEMBER**

When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forth with be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

### **g. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY AND MAY BE SOLD ETC.**

Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.

### **h. CANCELLATION OF FORFEITURE**

At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**i. MEMBER STILL LIABLE TO PAY MONEY OWING AT THE TIME OF FORFEITURE AND INTEREST**

Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, at such rate not exceeding twelve (12) per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if they think fit, but shall not be under any obligation so to do.

**j. EFFECT OF FORFEITURE**

The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in, and all claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

**k. VALIDITY OF FORFEITURE**

- 1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration shall be conclusive evidence of the facts stated as against all persons claiming to be entitled to the share;
- 2) The Company may receive the consideration if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- 3) The person to whom such share, is sold, re-allotted or disposed of shall thereupon be registered as the holder of the share;
- 4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest and bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.
- 5) Such purchaser or allottee 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 re-allotment or other disposal of the share.

**l. CANCELLATION OF SHARE CERTIFICATES IN RESPECT OF FORFEITED SHARES**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate in respect of the said shares to the persons entitled thereto.

**m. VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares, the validity of the sale shall not be impeached by any person.

**12. SURRENDER OF SHARES**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### 13. **TRANSFER AND TRANSMISSION OF SHARES**

#### **a. INSTRUMENT OF TRANSFER TO BE EXECUTED BY TRANSFEROR AND TRANSFEREE**

- 1) For shares in physical form, the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.
- 2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 3) The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

#### **b. BOARD MAY REFUSE TO REGISTER TRANSFER**

Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a shareholder in the Company. Further, subject to the provisions of Section 56 of the Act and section 22A and other relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Board may, at its absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a shareholder of the Company. The Board shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a 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 where the Company has a lien on shares. Transfer of shares / debentures in whatever lot shall not be refused.

#### **c. BOARD MAY DECLINE TO RECOGNIZE INSTRUMENT OF TRANSFER**

The Board may decline to recognize any instrument of transfer unless –

- a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- c) the instrument of transfer is in respect of only one class of shares.
- d) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository. In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- e) Provisions of Articles to apply to Shares held in Depository:  
Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

- f) Certificate Number and other details of Securities in Depository:  
Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository

**d. TRANSFER OF SHARES WHEN SUSPENDED**

On giving of previous notice of at least seven (7) days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty- five (45) days in the aggregate in any year.

**e. TRANSFER OF PARTLY PAID SHARES**

Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

**f. TRANSFER TO MINORS, ETC.**

- (a) No share shall in any circumstances be transferred to an insolvent or a person of unsound mind.
- (b) A minor may be admitted and registered as a member of the Company in respect of any fully paid up share or shares in his or her name. The father or the mother of a minor or a guardian appointed by a competent court shall have a right to represent and act for the minor in all respects including voting and/or giving proxy in respect of any share or shares held by such minor.

**g. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF A TRANSFER**

The Company shall incur no liability or responsibility whatever in consequence of its 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 said shares, notwithstanding that the Company may have had notice of such equitable right, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend 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 some books of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

**h. TITLE TO SHARES OF DECEASED MEMBER**

The executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such members, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession certificate, as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board may upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under this Article the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

**i. TITLE TO SHARES ON DEATH OF A MEMBER**

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

**j. ESTATE OF DECEASED MEMBER LIABLE**

Nothing shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

**k. TRANSMISSION CLAUSE**

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time-to-time properly be required by the Board and subject as hereinafter provided, elect, either –

- a) to be registered himself as holder of the share; or
- b) to make such transfer of the share as the deceased or insolvent member could have made.

**l. INDEMNITY TO THE COMPANY**

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

**m. BOARD'S RIGHT UNAFFECTED**

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.

**n. NO FEE ON TRANSFER OR TRANSMISSION**

No fee shall be charged for registration of transfer, grant of probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply.

The provisions of these Articles relating to transfer & transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

**14. MEETINGS OF MEMBERS**

**a. ANNUAL GENERAL MEETING**

The Company shall in each year holding addition to any other meetings, a general meeting as its annual general meeting, except in the case where any extension of time for holding any annual general meeting is granted/availed under applicable laws. Not more than 15 (fifteen) months shall elapse between the date of one annual general meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar under the provisions of Section 96 of the Act to extend the time within which any annual general meeting may be held. Every annual general meeting shall be called during business hours on a day that is not a national holiday and shall be held either at the registered office or at some other place within the city in which the office of the Company is situated through video conferencing or audio-visual means or teleconferencing /permitted mode, as the Board may determine.

**b. EXTRAORDINARY GENERAL MEETING**

All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

The Board may, whenever they think fit, convene an extra-ordinary general meeting.

The Board shall on the requisition of such number of members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply through video conferencing or audio-visual means or teleconferencing/permitted mode.

**c. CALLING GENERAL MEETING**

A general meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic/permitted mode in such manner as prescribed under the Act, provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode:(a) in the case of an annual general meeting, by not less than 95% (ninety-five percent) of the members entitled to vote at such meeting, and (b) in the case of any other general meeting, by members holding, majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up share capital of the Company as gives a right to vote at such meeting. Provided further that where any member is entitled to vote only on some resolution or resolutions to be moved at a general meeting and not on the others, that member shall be taken into account for the abovementioned purposes, in respect of the former resolution(s) and not in respect of the latter.

Notice of every general meeting shall be given to the members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting or the resolutions passed thereat.

**d. NATURE OF BUSINESS**

The ordinary business of an annual general meeting shall be to receive and consider the financial statements and the report of the Board and of the auditors, to reappointment of Directors retiring by rotation, to appointment of auditors and to declare dividends. All other business transacted at such meeting and all business transacted at an extra ordinary meeting shall be deemed special.

**e. QUORUM**

- 1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- 2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
- 3) The quorum for a general meeting shall be as provided in the Act.

**f. CHAIRMAN OF GENERAL MEETING**

The chairman of the Board shall be entitled to take the chair at every general meeting, whether annual or extraordinary. If there be no such chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of the members to be the chairman of that meeting.

**g. BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILST CHAIR VACANT**

No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.

**h. CHAIRMAN MAY ADJOURN MEETING**

- (1) The Chairman may, suomoto, adjourn the meeting from time to time and from place to place.

- (2) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the general meeting shall stand adjourned to the same place and time 7 (seven) days later, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Section 100 of the Act (read with provisions of these Articles) shall stand cancelled.
- (3) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (4) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (5) The required quorum at any adjourned general meeting shall be the same as that required at the original general meeting.
- (6) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

**i. CHAIRMAN'S DECLARATION OF RESULT OF VOTING ON SHOW OF HANDS**

A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

**j. CHAIRMAN'S CASTING VOTE**

In the case of an equality of votes, the chairman shall both on a show of hands and a poll (if any) have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

**k. VOTING THROUGH ELECTRONIC MEANS**

A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

**l. MEMBERS PAYING MONEY IN ADVANCE NOT TO BE ENTITLED TO VOTE IN RESPECT THEREOF**

A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

**m. NUMBER OF VOTES TO WHICH MEMBER ENTITLED**

- (i) Subject to the provisions of the Act and these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, shall be entitled to vote in the manner prescribed under the Act and Articles.
- (ii) Subject to the provisions of this Act and this Articles any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (iii) Any member shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

**n. VOTING IN PERSON OR BY PROXY**

The instrument appointing a proxy and/or the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.

The proxy so appointed shall have no right to speak at the meeting.

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Unless specifically provided as part of terms of preference shares, the preference shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Act.

**o. MEMBERS IN ARREARS NOT TO VOTE**

No members shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

**p. MINUTES OF PROCEEDINGS OF MEETINGS AND RESOLUTIONS PASSED BY POSTAL BALLOT**

The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed under the Act and the Rules

**q. INSPECTION OF MINUTE BOOKS OF GENERAL MEETING**

The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

- a) be kept at the registered office of the Company; and
- b) be open to inspection of any member without charge, during 2 p.m. (IST) to 4.30 p.m. (IST) on all working days.

**r. MEMBERS MAY OBTAIN COPY OF MINUTES**

Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes of general meetings:

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

**s. POWERS TO ARRANGE SECURITY AT MEETINGS**

The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure

the security of the meeting, the safety of people attending the meeting, and the orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

## **15. DIRECTORS**

### **a. NUMBER OF DIRECTORS**

- (a) Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (excluding Debenture Directors, Government Directors, Ex-officio Directors, if any) shall be not less than 3 and not more than 15. However, maximum number can exceed 15 by passing special resolution as required under the Act.
- (b) The first Directors of the Company were  
Mrs. Varsha Subhash Kamal and  
Mr. Subhash Ramavtar Kamal
- (c) It shall not be necessary for a Director to hold any share in the Company.

### **b. DIRECTORS NOT LIABLE TO RETIRE BY ROTATION**

The shareholders/ members shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation subject to compliance of the Act and the Rules made thereunder. Each of them shall be entitled to hold the office until he resigns on his own accord.

Subject to provisions of the relevant laws and these Articles, not less than 2/3rd of the total number of Directors for the time being shall be those whose period of office is liable for determination of retirement by rotation save as otherwise expressly provided in this Act, be appointed by the company in general meeting. For the purposes of this article, the total number of Directors shall not include independent directors, Nominee Director, whether appointed under the Act or any other law for the time being in force, on the Board.

The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Further this will also be governed by the provisions of Listing Regulations.

A retiring Director shall be eligible for re-election.

### **c. SAME INDIVIDUAL MAY BE CHAIRPERSON AND MANAGING DIRECTOR/ CHIEF EXECUTIVE OFFICER**

The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

### **d. APPOINTMENT OF ALTERNATE DIRECTOR**

The Board may appoint an Alternate Director to act for a Director (hereinafter called “the original Director”) during his absence for a period of not less than three months from the India which meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Board and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all powers and duties and authorities of the original Director. The Alternate Director appointed under this Article shall vacate office as and when original Director returns to the India. If the terms of office of the original Director is determined before he returns to the India, any provision in the Act or in this Article for the automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

### **e. APPOINTMENT OF SPECIAL DIRECTOR**

- (i) The Company shall, subject to the provisions of the Act, be entitled to agree with the Central or State Government, or any person, firm, corporation or authority that he or it shall have the right to appoint his or its nominees on the Board of Directors of the Company upon such terms and conditions as the Directors

may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until requested to retire by authority, person, firm or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office, whether upon request as aforesaid or by death, resignation or otherwise, the authority, person, firm or corporation who appointed such Special Director may, if the agreement so provides, appoint another Director in his place.

- (ii) The Special Directors, appointed under sub-clause (i) above, shall be entitled to hold office until requested to retire by the person, firm or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the person, firm or corporation who have appointed such special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid a Special Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

**f. APPOINTMENT OF DEBENTURE DIRECTORS**

Any Trust Deed for securing debentures or debenture stocks may, if so agreed, 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 and may empower such Trustees or holder of debentures or debentures stocks, from time to time, to remove and re-appoint any Director so appointed. The Director so appointed under this Article herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

**g. APPOINTMENT OF NOMINEE DIRECTORS**

- (i) Notwithstanding anything to the contrary contained in these Articles, so long as any money remain owing by the Company to financial institutions, financing company or body or credit corporation, out of any loans granted by them to the Company or so long as the financial institution, financing company or body corporate or Credit Corporation (each of the financial institutions, financing company or body or credit corporation is hereinafter in this Article referred to as “The Corporation”) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime, (which Directors or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s in terms of the agreement executed with such Corporation/ provisions of the respective statute/ or otherwise agreed to by the Board.
- (ii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation, such Nominee Director/s shall not be liable to retirement by rotation of Directors. 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.
- (iii) The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription 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 money owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
- (iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend to General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s

is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

- (v) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, money or remuneration in any form is payable to the Directors of the Company, the fees, commission, money and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.
- (vi) Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s. 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 also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation or as per rules and regulations/or agreement entered into with such corporation
- (vii) In the event of the Nominee Director/s being appointed as Whole-time Director/s, such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of the Company. Such Wholetime Director/s shall be entitled to receive such remuneration, fees, commission and money as may be approved by the Corporation.

#### **h. DIRECTORS MAY FILL VACANCIES**

The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.

#### **i. APPOINTMENT OF ADDITIONAL DIRECTORS**

The Directors shall also have power at any time and from time to time to appoint any other person to be a Director as an addition to the Board under Section 161 of the Act but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next annual general meeting but shall be eligible for election at such meeting.

#### **j. APPOINTMENT OF OTHER DIRECTORS**

The Board shall appoint Woman Director and Independent Director in the manner required under the provisions of Act and other applicable laws.

#### **k. APPOINTMENT OF MANAGING DIRECTOR OR MANAGING DIRECTOR(S) OR WHOLE TIME DIRECTOR OR WHOLE TIME DIRECTOR(S)**

Subject to the provisions of Section 196 / 203 and other applicable provisions of the Act and these Articles, the Board shall have power to appoint or reappoint from time to time Managing Director or Managing Directors or whole time Director or whole time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss or reappoint him or them from office and appoint another or others in his or their place or places.

### **16. REMUNERATION OF DIRECTORS**

- 1) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- 2) The remuneration payable to the Directors, including any managing or whole-time director or manager, if any, shall be determined, in accordance with and subject to the provisions of the Act.
- 3) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel, sitting fees and other expenses properly incurred by them –

- a) in attending, and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
  - b) in connection with the business of the Company
  - c) Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.
- 4) 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.

## **17. PROCEEDING OF THE BOARD OF DIRECTORS**

### **a. MEETINGS OF DIRECTORS**

- (a) The conducting of Meetings of the Board of Directors is governed by Secretarial Standards issued by ICSI and approved by the Ministry of Corporate Affairs.
- (b) A meeting of the Board of Directors shall be held at least four (4) times every year and not more than 120 days shall lapse between two (2) Board meetings.
- (c) No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.
- (d) If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.

### **b. WHEN MEETING TO BE CONVENED**

- i) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- ii) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

### **c. QUORUM**

The quorum for the Board meeting shall be as provided above.

### **d. CHAIRMAN**

The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his/her absence, the Board may elect a chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after

the time appointed for holding the meeting, the Directors present may choose one of the Directors to be Chairperson of the meeting.

**e. QUESTIONS AT BOARD MEETING HOW DECIDED**

Subject to provisions of the Act, questions arising at any meeting of the Board shall be decided by a simple majority of votes, and in case of equality of votes, the chairman shall have second or casting vote.

**f. CIRCULAR RESOLUTION**

Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any necessary papers, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

**g. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECT IN APPOINTMENT**

All acts, done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.

Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act and the rules framed thereunder.

**h. GENERAL POWERS OF THE COMPANY VESTED IN BOARD**

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The Board shall also undertake the corporate social responsibility activities under the provisions of the Act.

The Board may at any time and from time to time by authority letter, board resolution, power of attorney or otherwise appoint any person or persons to be the authorized persons, delegates or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such periods and subject to such conditions as the Board may from time to time think fit, and may contain powers enabling such authorized persons, delegates or attorneys as aforesaid to sub-delegate/authorise all or any of the powers, authorities and discretions for the time being vested in them.

**i. BORROWING POWERS**

Subject to the provisions of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow money from time to time including but

not limited to fund based and non-fund based credit facilities from Bankers and other eligible lenders, loans, fixed deposits etc. for the purpose of the business of the Company to be secured in such manner and upon such terms and conditions as the Board of Directors may think fit.

**j. ISSUE OF DEBENTURES**

The Board has power to issue debentures of various kinds from time to time.

The Board may, from time to time, at its discretion raise for the purpose of the Company's business such of money as they think fit. The Board may raise any such sums as aforesaid by the issue, at such price as it may think fit, of debentures of debentures-stock, either charged upon the whole or any part of the property and assets of the Company or not so charged or in such other way as the Board may think expedient.

**k. DELEGATE POWERS**

Subject to the provisions of the Act including Section 179, as applicable, the Board may, from time to time, and at any time, delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than its power to make calls or to make loans or borrow moneys; and to authorise the member for the time being of any such Local Board, or any of them, to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

**18. BOARD MAY APPOINT COMMITTEES**

- i) The Board of Directors may subject to the provisions of Section 179 and other relevant provisions of the Act and of these Articles appoint committee of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committees of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.
- ii) The participation of Directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

**a. CHAIRMAN OF COMMITTEE OF DIRECTORS**

- i) Committee may elect a chairperson of its meetings unless the Board, while constituting a committee, has appointed a Chairperson of such Committee.
- ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**b. FUNCTIONING OF THE COMMITTEE**

- 1) A Committee may meet and adjourn as it thinks fit.
- 2) Questions arising at any meeting of a Committee shall be determined by a simple majority of votes of the members present.
- 3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

**19. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEFFINANCIAL OFFICER**

Subject to the provisions of the Act;

- i) A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

The Board shall have the power to appoint an individual as the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.

A whole-time director / chief financial officer / company secretary of the Company are severally authorised to sign any document or proceeding requiring authentication by the Company or any contract made by or on behalf of the Company.

Any provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## **20. STATUTORY REGISTERS**

The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company only by the persons entitled thereto under the Act, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Subject to aforesaid the Board shall have a power to refuse inspection to any other person, at its discretion.

## **21. FOREIGN REGISTERS**

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such Articles as it may think fit respecting the keeping of any such register. The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

## **22. DIVIDENDS AND RESERVE**

- i. Company in general meeting may declare dividends.

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

- ii. Interim dividends

Subject to the provisions of the Act, the Board may from time-to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

- iii. Dividends only to be paid out of profits

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time-to-time, think fit.

- iv. Carry forward of profits

The Board may subject to provisions of the Act also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

v. Payments in Advance

No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

vi. Dividends to be Apportioned

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

vii. No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

viii. Retention of dividends

The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

ix. Dividend how Remitted

A dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

x. Discharge to Company

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

xi. Receipt of one holder sufficient

Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

xii. No interest on Dividends

No dividend shall bear interest against the Company.

xiii. Waiver of Dividends

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

## 23. Winding up

The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

## **24. Accounts**

Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide and when the Board so decides the Company shall, within 7 (seven) days of the decision file with the registrar a notice in writing giving the full address of that other place, provided further that the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in Section 128 of the Act and the rules framed thereunder.

The Board shall be entitled from time to time to determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

No member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.

All the aforesaid books shall give a true and fair view of the Company's affairs with respect to the matters aforesaid and explain its transactions.

The books of accounts of the Company relating to past periods shall be preserved in good order in compliance with applicable laws.

## **25. Unpaid or unclaimed dividend**

Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted or sent within thirty days from the date of declaration to any shareholder entitled to payment of the dividend, the Company shall transfer the total amount of dividend, which remained unpaid or unclaimed within seven days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "unpaid dividend account". No unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of Section 125 of the Act, viz. "Investors education and protection fund".

## **26. INDEMNITY AND INSURANCE**

Directors and officers right to indemnity

- (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, chief executive officer, chief financial officer, company secretary and officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity except such suits, proceedings, cost, charges, losses, damage and expenses, if any, that such director, manager, company secretary and officer shall incur or sustain, by or through his own willful neglect or default.
- (b) Subject as aforesaid, every director, managing director, manager, chief executive officer, chief financial officer, company secretary and officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in

which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which reliefs given to him by the Court.

Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the gross negligence, willful misconduct or bad faith acts or omissions of such director, managing director, manager, chief executive officer, chief financial officer, company secretary or officer.

## **27. INSURANCE**

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **28. CAPITALISATION**

- 1) The Company in General Meeting by Ordinary Resolution may, upon the recommendation of the Board, resolve:
  - (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts, or to the credit of the Profit and Loss Account or otherwise available for distribution;

**And**

  - (b) that such sum be accordingly set free for distribution in the manner specified in clause no. 2 amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause no. 3 either in or towards: -
  - (a) paying up any amount for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full un-issued shares of the Company to the allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- 3) A share premium account and a Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid Bonus Shares.
- 4) the Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- 5) Any agreement made under such authority shall be effective and binding on such members.

## **29. SECRECY CLAUSE**

Every director, manager, auditor, secretary, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required, by the Director, before and any time after entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions, operations, business and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law.

## **30. NO MEMBER TO ENTER THE PREMISES OF THE COMPANY WITHOUT PERMISSION**

No member or other person (not being a Director) shall, without the prior written permission of the Chairperson of the Company or Managing Director be entitled to visit or inspect any property or premises of the Company or to require discovery of or any information respecting any detail of the Company's trading, operation or business, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Chairperson/Managing Director, it would be inexpedient in the interest of the Company to disclose.

*#Alteration of Articles of Association for increase in Authorised Capital to Rs. 1,00,00,000/- vide passing special resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 15<sup>th</sup> July, 2014.*

*@ Adopted whole new set of Articles of Association vide passing special resolution at the Extra Ordinary General Meeting of the Members of the Company held on 22nd March, 2016.*

*\*Conversion of Private Company into Public Company vide passing Special Resolution at the Extra Ordinary General meeting of the Members of the Company held on 05<sup>th</sup> March, 2024.*

*#Adopted whole new set of Articles of Association vide passing special resolution passed at the Extra Ordinary General Meeting of the Members of the Company held on 05<sup>th</sup> March, 2024.*

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. to 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at [www.effwa.co.in](http://www.effwa.co.in), and will be available for inspection from date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

#### MATERIAL CONTRACTS

1. Offer Agreement dated May 09, 2024 between our Company, the Selling Shareholders and the Book Running Lead Manager.
2. Registrar Agreement dated May 09, 2024 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank, Sponsor Bank, Public Offer Bank and the Refund Bank.
4. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.
5. Market Making Agreement dated [●] between our Company, the Selling Shareholders and the Book Running Lead Manager and Market Maker.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and Book Running Lead Manager and the Underwriter.
7. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the Book Running Lead Manager, and Syndicate Members.
8. Tripartite agreement between the CDSL, our Company and the Registrar to the Offer dated March 15, 2024.
9. Tripartite agreement between the NSDL, our Company and the Registrar to the Offer dated [●].

#### MATERIAL DOCUMENTS

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated January 06, 2014, issued under the name Effwa Infra & Research Private Limited, issued by Registrar of Companies, Mumbai.
3. Copy of Fresh Certificate of Incorporation dated May 02, 2024, issued by Registrar of Companies, Central Registration Centre, consequent to name change from Effwa Infra & Research Private Limited to Effwa Infra & Research Limited pursuant to the conversion of our Company into a Public Limited Company.
4. Resolution of the Board of Directors dated May 02, 2024, in relation to the Offer.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held on May 03, 2024, in relation to the Offer.
6. Examination report for Restated Financial Statements dated May 06, 2024, from our Peer Review Auditor included in this Draft Red Herring Prospectus.
7. The Statement of Possible Tax Benefits dated May 09, 2024, from our Peer Review Auditor included in this Draft Red Herring Prospectus.

8. Copies of Audited Financial Statements of the Company for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022, and 2021.
9. Consents of our Directors, Promoters, the Selling Shareholders, Company Secretary and Compliance Officer, Chief Financial Officer, Senior Management Personnel, Statutory Auditor, Peer Review Auditor, Banker(s) to the Company, Book Running Lead Manager, Legal Advisor to the Offer, Registrar to the Offer, Banker to the Offer, Syndicate Member, Underwriter and Market Maker to act in their respective capacities.
10. Certificate on KPI's issued by the Statutory Auditor M/s. A Y & CO., Chartered Accountants, by way of their certificate dated May 06, 2023.
11. Board Resolution dated May 10, 2024, for approval of Draft Red Herring Prospectus, dated for [●] approval of Red Herring Prospectus.
12. Due Diligence Certificate dated [●] to SEBI by the Lead Manager.
13. In Approval from NSE vide letter dated [●] to use the name of NSE in this Offer Document for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in this 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, without the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government and / or the guidelines or regulations issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, amended, or the rules made thereunder or Guidelines / Regulations issued, as the case may be. We further certify that all statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- <b>Dr. Varsha Subhash Kamal</b> Chairperson & Managing Director <b>DIN: 00270314</b>	Sd/- <b>Ms. Mr. Subhash Ramavtar Kamal</b> Whole Time Director <b>DIN: 00255160</b>
Sd/- <b>Mr. Ravindra N Hanchate</b> Non-Executive Independent Director <b>DIN: 07746827</b>	Sd/- <b>Mr. Priyesh Bharat Somaiya</b> Non-Executive Independent Director <b>DIN: 08664781</b>
Sd/- <b>Mr. Vijay Prahladbhai Vyas</b> Non-Executive Independent Director <b>DIN: 02738087</b>	

### SIGNED BY THE CFO AND CS OF OUR COMPANY

Sd/- <b>Ms. Lina Prakash Lad</b> Chief Financial Officer	Sd/- <b>Mr. Dhaval H Mirani</b> Company Secretary and Compliance Officer
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**Date:** May 10, 2024

**Place:** Thane

## DECLARATION BY SELLING SHAREHOLDER

I, Dr. Varsha Subhash Kamal in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

**Dr. Varsha Subhash Kamal**

**Date:** May 10, 2024

**Place:** Thane

## DECLARATION BY SELLING SHAREHOLDER

I, Mr. Subhash Ramavtar Kamal in my capacity as a Selling Shareholder, certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus about or specifically in relation to myself as a Selling Shareholder and the portion of Equity Shares offered by me in the Offer for Sale are true and correct. I assume no responsibility for any other statements, disclosures, and undertakings, including any statements, disclosures and undertakings made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

Sd/-

**Mr. Subhash Ramavtar Kamal**

**Date:** May 10, 2024

**Place:** Thane