



DE NEERS TOOLS LIMITED  
CIN: U29309DL2021PLC384229

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
P.No. 468, Ground Floor, Industrial Area, Patparganj, Delhi – 110 092, India.	N.A.	Mr. Kanav Gupta, Chief Financial Officer	<b>Email:</b> compliance@deneerstools.com <b>Tel.:</b> 011 47072555	www.deneerstools.com

PROMOTERS OF THE COMPANY
Mr. Neeraj Kumar Aggarwal, Mrs. Shilpy Aggarwal and Mr. Kanav Gupta

DETAILS OF ISSUE TO PUBLIC				
Type	Fresh Issue Size	OFS Size (Rs. In Lakhs)	Total Issue Size (Rs. In Lakhs)	Eligibility
Fresh Issue	22,76,400 equity shares	N.A.	Rs. 2,299.16 Lakhs	The Offer is being made pursuant to Regulation 229(1) of SEBI ICDR Regulations, As the Company's post issue paid-up equity capital would be less than Rs. 10.00 (Ten) Cr.

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

**RISKS IN RELATION TO THE FIRST ISSUE**  
This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Issue Price” beginning on page 69, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**  
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 23 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**  
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**  
The Equity Shares of our company offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received in-principal approval letter dated February 15, 2023 from National Stock Exchange of India Limited for using its name in this Offer document for listing our shares on the NSE EMERGE (SME Platform of National Stock Exchange of India Limited). For the purpose of this Issue, the Designated Exchange will be the National Stock Exchange of India Limited (“NSE”).

BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE ISSUE
 <b>Khambatta Securities Limited</b> 1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India <b>Tel:</b> 011-41645051, 022-66413315 <b>Email:</b> ipo@khambattasecurities.com <b>Investor Grievance Email:</b> mbcomplaints@khambattasecurities.com <b>Website:</b> www.khambattasecurities.com <b>Contact Person:</b> Mr. Vipin Aggarwal; Mr. Vinay Pareek <b>SEBI Registration No.:</b> INM000011914	 <b>Share India Capital Services Private Limited</b> A-15, Sector-64, Noida – 201301, UP, India <b>Tel No.:</b> +91-0120-4910000 <b>Email:</b> anand.srivastava@shareindia.co.in <b>Contact Person:</b> Mr. Anand Srivastava <b>Website:</b> www.shareindia.com <b>SEBI Registration No.:</b> INM000012537
 <b>Bigshare Services Private Limited</b> S6-2, 6th Pinnacle business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Maharashtra – 400093, Maharashtra, India <b>Tel.:</b> 022 6263 8200 <b>Fax:</b> 022 6263 8299 <b>E-Mail:</b> ipo@bigshareonline.com <b>Investor Grievance Email:</b> investor@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Contact Person:</b> Mr. Swapnil Kate <b>SEBI Registration. No.:</b> INR000001385	

*Note: Khambatta Securities Limited is responsible for the due diligence, pre-issue and post issue-closure formalities. Share India Capital Services Limited (introduced after DRHP was filed) is responsible only for the portion of the underwriting (as per the Underwriting Agreement) and the marketing of this IPO.*

BID/ OFFER OPENS ON	BID/ OFFER CLOSES ON	ANCHOR INVESTOR BID PERIOD
Friday, April 28, 2023	Wednesday, May 03, 2023	NA



**DE NEERS TOOLS LIMITED**

Our Company was formed on July 26, 2021 as a public limited company under the Companies Act, 2013 pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Delhi NCR. Prior to being converted into a company, our company was a limited liability partnership in the name of *De Neers Tools LLP* which was formed on March 20, 2018. On June 17, 2021, *De Neers Tools LLP* took over the business of *M/s Deewan Chand Madanlal & Sons* on going concern basis and later on July 26, 2021 *De Neers Tools LLP* was converted into De Neers Tools Limited. The Corporate Identity Number of our Company is U29309DL2021PLC384229. For further details on incorporation and registered office of our Company, see "Our History and Certain Other Corporate Matters" beginning on page 109.

**Registered Office:** P. No. 468, Ground Floor, Industrial Area, Patparganj, Delhi – 110 092, India.  
**Tel.:** 011 47072555; **Email:** compliance@deneerstools.com; **Website:** www.deneerstools.com

**Contact Person:** Mr. Kanav Gupta, Chief Financial Officer

**PROMOTERS OF OUR COMPANY:** MR. NEERAJ KUMAR AGGARWAL, MRS. SHILPY AGGARWAL, MR. KANAV GUPTA

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC ISSUE OF 22,76,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF DE NEERS TOOLS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 101 PER EQUITY (THE "ISSUE PRICE") AGGREGATING TO ₹ 2,299.16 LAKH ("THE ISSUE") COMPRISING OF A FRESH ISSUE OF 22,76,400 EQUITY SHARES AGGREGATING TO ₹ 2,299.16 LAKH (THE "FRESH ISSUE") OF WHICH 1,15,200 EQUITY SHARES AGGREGATING TO ₹ 116.35 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF 21,61,200 EQUITY SHARES AGGREGATING TO ₹ 2,181.82 LAKH (THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.45% AND 25.11% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**PRICE BAND: ₹95.00 to ₹101.00 PER EQUITY SHARE OF FACE VALUE OF ₹10/- EACH AND THE ISSUE PRICE IS 9.5 TO 10.1 TIMES OF THE FACE VALUE AT THE LOWER PRICE BAND AND THE UPPER PRICE BAND RESPECTIVELY. BID CAN BE MADE FOR MINIMUM OF 1,200 EQUITY SHARES AND THE MULTIPLES OF 1,200 EQUITY SHARES THEREAFTER.**

IN CASE OF ANY REVISION IN THE PRICE BAND, THE BID/ISSUE PERIOD WILL BE EXTENDED BY AT LEAST THREE ADDITIONAL WORKING DAYS AFTER SUCH REVISION IN THE PRICE BAND, SUBJECT TO THE BID/ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. IN CASES OF FORCE MAJEURE, BANKING STRIKE OR SIMILAR CIRCUMSTANCES, OUR COMPANY MAY, FOR REASONS TO BE RECORDED IN WRITING, EXTEND THE BID/ISSUE PERIOD FOR A MINIMUM OF THREE WORKING DAYS, SUBJECT TO THE BID/ISSUE PERIOD NOT EXCEEDING 10 WORKING DAYS. ANY REVISION IN THE PRICE BAND AND THE REVISED BID/ISSUE PERIOD, IF APPLICABLE, SHALL BE WIDELY DISSEMINATED BY NOTIFICATION TO THE STOCK EXCHANGE, BY ISSUING A PUBLIC NOTICE, AND ALSO BY INDICATING THE CHANGE ON THE RESPECTIVE WEBSITES OF THE BOOK RUNNING LEAD MANAGER AND AT THE TERMINALS OF THE SYNDICATE MEMBERS AND BY INTIMATION TO DESIGNATED INTERMEDIARIES AND THE SPONSOR BANK, AS APPLICABLE.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 171 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "Basis for Issue Price" beginning on page 69, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 23 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares offered through this Prospectus are proposed to be listed on the NSE Emerge Platform. Our Company has received an in-principle approval letter dated February 15, 2023 from NSE for using its name in this issue document for listing of our Equity Shares on the SME Platform of NSE (NSE Emerge). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

**BOOK RUNNING LEAD MANAGERS TO THE ISSUE**

**REGISTRAR TO THE ISSUE**

<p><b>Khambatta Securities Limited</b> 1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India Tel: 011-41645051, 022-66413315 Email: <a href="mailto:ipo@khambattasecurities.com">ipo@khambattasecurities.com</a> Investor Grievance Email: <a href="mailto:mbcomplains@khambattasecurities.com">mbcomplains@khambattasecurities.com</a> Website: <a href="http://www.khambattasecurities.com">www.khambattasecurities.com</a> Contact Person: Mr. Vipin Aggarwal; Mr. Vinay Pareek SEBI Registration No.: INM000011914</p>	<p><b>Share India Capital Services Private Limited</b> A-15, Sector-64, Noida – 201301, UP, India. Tel No.: +91-0120-4910000 Email: <a href="mailto:anand.srivastava@shareindia.co.in">anand.srivastava@shareindia.co.in</a> Contact Person: Mr. Anand Srivastava Website: <a href="http://www.shareindia.com">www.shareindia.com</a> SEBI Registration No.: INM000012537</p>	<p><b>Bigshare Services Private Limited</b> S6-2, 6th Pinnacle business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Maharashtra – 400093, Maharashtra, India. Tel.: 022 6263 8200 Fax: 022 6263 8299 E-Mail: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Investor Grievance Email: investor@bigshareonline.com Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> Contact Person: Mr. Swapnil Kate SEBI Registration.No.: INR000001385</p>
<p><i>Note: Khambatta Securities Limited is responsible for the due diligence, pre-issue and post issue-closure formalities. Share India Capital Services Private Limited (introduced after DRHP was filed) is responsible only for the portion of the underwriting (as per the Underwriting Agreement) and the marketing of this IPO.</i></p>		

**ISSUE PROGRAMME**

BID/ISSUE OPENS ON: APRIL 28, 2023	BID/ISSUE CLOSES ON: MAY 03, 2023	ANCHOR INVESTOR PORTION: NA
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## SECTION – I GENERAL

### DEFINITIONS AND ABBREVIATIONS

In this Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Company Related Terms	
Term	Description
AoA / Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, constituted on June 06, 2022 in accordance with Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” beginning on page 113.
Auditors / Statutory Auditors / Peer Reviewed Auditors	The statutory auditors of our Company, currently being M/s Gautam Sehgal & Co., Chartered Accountants, having their office at 399, 1st Floor, Chandni Chowk, (Outside Katra Naya), Delhi – 110006, India.
Bankers to our Company	HDFC Bank Limited
Board of Directors / Board / Directors (s)	The Board of Directors of De Neers Tool Limited, including all duly constituted Committees thereof as the context may refer to.
Managing Director	The Managing Director of our Company is Mr. Neeraj Kumar Aggarwal.
Chief Financial Officer /CFO	The Chief Financial Officer of our Company is Mr. Kanav Gupta
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Ms. Nisha Shaw.
Corporate Identification Number / CIN	U29309DL2021PLC384229
Equity Shares	Equity Shares of our Company of Face Value of Rs.10/- each fully paid-up
Equity Shareholders / Shareholders	Persons / entities holding Equity Share of our Company
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term “ <i>Group Companies</i> ” includes companies (other than our Promoter 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 Entities</i> ” beginning on page 131.
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 113.
ISIN (Equity)	International Securities Identification Number. In this case being INE0JWV01011.
ISIN (Preference Shares)	International Securities Identification Number. In this case being INE0JWV04023.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013, together with the Key Managerial Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 113.
Materiality Policy	The policy adopted by our Board on June 06, 2022 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.

Term	Description
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on June 06, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 113.
Non-Executive Director	A Director not being an Executive Director or is an Independent Director.
Preference Shares	Non- Convertible Redeemable Cumulative Preference Shares (NCRCPs) of Rs. 100/- fully paid up.
Promoter(s)	Neeraj Kumar Aggarwal, Kanav Gupta and Shilpy Aggarwal
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 126.
Registered Office	The Registered Office of our Company situated at Plot No. 468, Ground Floor, Industrial Area Patparganj, Delhi- 110092, India
Registrar of Companies / RoC	Registrar of Companies, Delhi situated 4 <sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019, India
Restated Financial Statements	Restated Financial Statements of our Company for the financial years ended on 2022, 2021 and 2020 (prepared in accordance with the Indian GAAP read with Section 133 of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations) which comprises the restated summary statement of assets & liabilities, the restated summary statement of profit and loss and restated summary statement of cash flows along with all the schedules and notes thereto
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on June 06, 2022 in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” beginning on page 113.

## Issue Related Terms

Term	Description
Allocation / Allocation of Equity Shares	Allocation of Equity Shares of our Company pursuant to Fresh Offer of Equity Shares to the successful Applicants.
Allotment/ Allot/ Allotted	Offer and allotment of Equity Shares of our Company pursuant to Fresh Offer of the Equity Shares to the successful Applicants.
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall have been allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares may be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which may be decided by our Company 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.
	<i>We have not allocated any Equity Shares for Anchor Investors in this Offer.</i>
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, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.
	One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulation
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Offer.
ASBA/Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Offer containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount.
ASBA Application location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Rajkot, Bangalore, Hyderabad, Pune, Baroda and Surat.
ASBA Investor/ASBA applicant	Any prospective investor(s)/applicant(s) in this Offer who apply (ies) through the ASBA process.
Banker(s) to the Offer/ Public Offer Bank(s).	The banks which are clearing members and registered with SEBI as Banker to an Offer with whom the Public Offer Account will be opened and in this case, being HDFC Bank Limited.

*Note: We have not allocated any Equity Shares for Anchor Investors in this Offer.*

Term	Description
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Offer and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 171.
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 Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Lot	1200 Equity Shares and in multiples of 1200 Equity Shares thereafter
Bid/Offer Closing Date	The date on which Issue closes for subscription.  Our Company in consultation with the BRLM, 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 be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Opening Date	The date on which Issue opens for subscription.
	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 prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Bid/ Offer Period	Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Offer Period for the QIB Portion One Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations.
	In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days
Bidder	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.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLM(s) / Book Running Lead Manager(s)	Book Running Lead Manager(s) to the Offer, in this case being Khambatta Securities Limited and Share India Capital Services Limited, SEBI Registered Category I Merchant Bankers. Khambatta Securities Limited is responsible for the due diligence, pre-issue and post issue-closure formalities. Share India Capital Services Limited is responsible only for the portion of the underwriting (as per the Underwriting Agreement) and the marketing of this IPO. Share India Capital Services Limited was not present in DRHP. It has been added in RHP only.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted

Term	Description
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Offer Account or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID, as appropriate, after the Offer is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants.
Designated Stock Exchange	National Stock Exchange of India Limited (NSE) (Emerge Platform).
Draft Red Herring Prospectus	The Draft Red Herring Prospectus issued in accordance with section 26 of the Companies Act, 2013 and filed with the NSE under SEBI (ICDR) Regulations.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Offer and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Emerge Platform of NSE	The Emerge Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account or UPI linked account number held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who has committed the specified offence(s) under the Fugitive Economic Offenders Act, 2018 involving an amount of one hundred crore rupees or more and has absconded from India or refused to come back to India to avoid or face criminal prosecution in India.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular CIR/CFD/DIL/12/2013 dated October 23, 2013, and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 notified by SEBI suitably modified and included in “Issue Procedure” beginning on page 171 of this Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Making Agreement	Market Making Agreement dated April 17, 2023 between our Company, BRLM and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Share India Securities Limited, who 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 any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of 1,15,200 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 101/- per Equity Share aggregating Rs. 116.35 Lakhs for the Market Maker in this Offer.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.

Term	Description
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Net Offer	The Offer, excluding the Market Maker Reservation Portion, of 21,61,200 Equity Shares of face value of Rs. 10/-each fully paid for cash at a price of Rs. 101 per Equity Share aggregating Rs. 2,182.81 Lakhs by our Company.
Net Proceeds	The Offer Proceeds, less the Offer related expenses, received by the Company. For further information about use of the Offer Proceeds and the Offer expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 63 of this Prospectus.
Non - Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Offer.
Offer/ Offer Size/ Initial Public Offer/ Initial Public Offer/ Initial Public Offering/ IPO	Public Offer of 22,76,400 Equity Shares of face value of Rs. 10.00 each fully paid of De Neers Tools Limited for cash at a price of Rs. 101 per Equity Share (including a premium of Rs. 91 per Equity Share) aggregating Rs. 2,299.16 Lakhs.
Offer Agreement	The agreement dated December 07, 2022 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Price	The price at which the Equity Shares are being offered by our Company under this Prospectus being Rs. 101 per Equity Share of face value of Rs.10.00 each fully paid.
Offer Proceeds	Proceeds from the fresh Offer that will be available to our Company, being Rs. 2,249.16 Lakhs.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus to be filed with ROC containing, inter alia, the Offer opening and closing dates and other information.
Public Offer Account	Account opened with the Banker to the Offer/Public Offer Bank i.e. HDFC Bank Limited by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Offer Account Agreement	Agreement to be entered into by our Company, the Registrar to the Offer, the Book Running Lead Manager, and the Public Offer Bank/Banker to the Offer for collection of the Application Amounts.
Qualified Institutional Buyers or QIBs	QIBs, as defined in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations, 2018, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund and alternative investment fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 lakhs, pension fund with minimum corpus of Rs. 2,500 lakhs, NIF, 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 non-banking financial companies.

Term	Description
Refund Account (s)	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Offer Account in case listing of the Equity Shares does not occur.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being HDFC Bank Limited.
Registrar /Registrar to the Offer	Registrar to the Offer, in this case being Bigshare Services Private Limited having office at S6-2, 6th Pinnacle business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri East, Maharashtra – 400093, Maharashtra, India.
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their Karta) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Offer registered under SEBI (Bankers to an Offer) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> or at such other website as may be prescribed by SEBI from time to time.
Sponsor Bank	Shall mean a Banker to the Offer registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI.
Underwriters	Khambatta Securities Limited and Share India Capital Services Limited.
Underwriting Agreement	The agreement dated April 17, 2023 entered into between the Underwriters and our Company.
UPI Mechanism	The bidding mechanism that may be used by a RII to make an application in the Offer in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018.
Unified Payments Interface	It is an instant payment system developed by National Payments Corporation of India which allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's Bank account.
UPI ID	ID created on Unified Payment Interface.
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI PIN	Password to authenticate transaction through UPI mechanism.
Wilful Defaulter	As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
Working Day	Unless the context otherwise requires: Working Days shall be as defined under Regulation 2(1)(mmm) of SEBI (ICDR), 2018 and all trading days of stock exchange excluding Sundays, Saturdays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

#### Technical and Industry Terms

Term	Description
CAGR	Compounded Annual Growth Rate.

C.I.	Cast Iron
DIY	Do It Yourself
EOL	End of Life
HSS	High Speed Steel
HR	Human Resources
IS	International Standard
ISO	International Standard Organisation
IT	Information Technology
Mm	Millimetre
NIP	National Infrastructure Pipeline
OEM	Original Equipment Manufacturer
P & M	Plant and Machinery
SIAM	Society Of Indian Automobile Manufacturers
SKU	Stock Keeping Unit

#### Conventional and General Terms/ Abbreviations

Term	Description
A/C	Account
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of this Act
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
A. Y.	Assessment Year
ASBA	Applications Supported by Blocked Amount
B.Com	Bachelor's Degree in Commerce
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate

Term	Description
CareEdge Research	CARE Advisory Research and Training Limited
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
Companies Act	The Companies Act, 2013 as amended from time to time, including sections of Companies Act, 1956 wherever applicable.
CSO	Central Statistical Organization
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DB	Designated Branch
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
EPS	Earnings per Share
FDI	Foreign Direct Investment
FCNR Account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, as amended from time to time and the regulations framed there under.
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII(s)	Foreign Institutional Investors

Term	Description
FIs	Financial Institutions
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
F.Y	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India.
GST	Goods & Service Tax
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International financial reporting standards.
Ind AS	Indian Accounting Standards
IPC	Indian Penal Code
IPO	Initial Public Offering
IPR	Intellectual Property Right
IT	Information Technology
IT Act	The Income-tax Act, 1961 as amended from time to time except as stated otherwise.
IT Rules	The Income-tax Rules, 1962, as amended from time to time
INR	Indian National Rupee
JV	Joint venture

Term	Description
KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 113.
Ltd.	Limited
MBA	Master in Business Administration
M.Com	Master Degree in Commerce
MD	Managing Director
MoU	Memorandum of Understanding
MNC	Multinational corporation
N/A or NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NOC	No Objection Certificate
NPV	Net Present Value
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
Pvt.	Private

Term	Description
PBT	Profit Before Tax
P/E Ratio	Price Earnings Ratio
POA	Power of Attorney
PIO	Persons of Indian Origin
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoN	Return on Net Worth.
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	NSE
Sq.	Square

Term	Description
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
TNW	Total Net Worth
u/s	Under Section
UIN	Unique Identification Number
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
U.S. GAAP	Generally accepted accounting principles in the United States of America
UOI	Union of India
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year over Year

Notwithstanding the following: -

- (i) In the section titled '*Main Provisions of the Articles of Association*' beginning on page 204, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled '*Financial Information*' beginning on page 134, defined terms shall have the meaning given to such terms in that section;
- (iii) In the chapter titled "*Statement of Tax Benefits*" beginning on page 72, defined terms shall have the meaning given to such terms in that chapter.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the chapter titled ‘*Financial Information*’ beginning on page 134. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

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 financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘*Financial Information*’ beginning on page 134.

### CURRENCY OF PRESENTATION

In this Prospectus, references to “Rupees” or “Rs.” or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### INDUSTRY & MARKET DATA

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the report titled “Industry Research Report on Hand Tools Industry in India” dated January 2022, prepared by CARE Advisory Research & Training Ltd (“CareEdge Research”) which was commissioned and paid for by our Company, exclusively for the purposes of the Offer for an agreed fee. Further it is clarified that CareEdge Research is not related to our Company, our Promoters or our Directors. For risks in relation to commissioned reports, see ‘*Risk Factors*’ beginning on page 23.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Accordingly, no investment decision should be made solely on the basis of such information, although we believe that the industry and market data used in this Prospectus is reliable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

In accordance with the SEBI ICDR Regulations, “Basis for Issue Price” on page 69 includes information relating to our listed peer group companies. Accordingly, no investment decision should be made solely on the basis of such information.

#### **Disclaimer of CareEdge Research**

This Prospectus contains certain data and statistics from the Industry Report prepared by CareEdge Research, which is subject to the following disclaimer:

*“This report is prepared by CARE Advisory Research and Training Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research’s proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.*

*This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.*

*Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorised recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.*

*CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.”*

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our failure to keep pace with changes in technology;
- Increased competition in our Industry;
- Competition from international and domestic companies
- Our ability to attract and retain talented personnel;
- Any disruption in hand tool industry;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Higher interest outgo on our loans;
- Our ability to successfully implement our growth strategy and expansion plans;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23 and 137 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date. Neither we, our Directors, Underwriter, Merchant Banker nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF OFFER DOCUMENT

### SUMMARY OF OUR BUSINESS

De Neers Tools Ltd is an ISO 9001:2015, ISO 14001:2015 and 45001:2018 accredited company. Today, we have over 3200 SKUs and we are the fourth-generation serving the hand tools industry since 1952 i.e. over seven decades. Generation on generation, we have learned and adopted new and improved systems to increase our dealership network, customer reach and the best practices to satisfy our customers’ needs to the fullest.

De Neers is known as one of the reputed and key hand tools suppliers that provides the broadest range of hand tools in India. Our extensive range of products includes spanners, wrenches, pliers, cutters, allen keys, hammers, socketry, screw drivers, tool kits, tool cabinets, trolleys, etc. We are also specialized in providing safety tools like non- sparking tools, insulated steel tools, non-sparking insulated tools, stainless steel & magnetic tools, titanium tools along with multiple other hand tools. We have experienced and dedicated personnel that keeps a regular check on the latest trends and opportunities in the market and focuses on improving the design and structure of the products. Our focus is on producing tools that can stand up to the demands of the professionals who use them every day. De Neers is widely accepted by the dealers / distributors, hardware suppliers throughout India.

For more details, please refer chapter titled “*Our Business*” beginning on page 92.

### SUMMARY OF OUR INDUSTRY

#### Hand tools Industry in India:

Hand tools are tools such as spanners, pipe cutters, wrenches, pliers that are not powered by electricity. Hand Tools industry is majorly present in micro and small scale sector and is one of the oldest industries in the country. The skilled labor for this industry are primarily present in the states like Punjab, Rajasthan and Maharashtra making them a hub of production of hand tools.

Due to industrialization nationally and globally in recent years, hand tool market grew manifold. Industries like defense, railways, agriculture, automobiles, and aerospace are expecting good quality products for ease of operation due to which demand for hand tools has seen a sharp rise. Government initiatives such as ‘Make in India’ with focus on improving domestic manufacturing capabilities are also expected to support future growth in the sector.

For more details, please refer chapter titled “*Industry Overview*” beginning on page 75.

### OUR PROMOTERS

The promoters of our company are Mr. Neeraj Kumar Aggarwal Ms. Shilpy Aggarwal and Mr. Kanav Gupta.

### SIZE OF ISSUE

<b>Present Issue of Equity Shares by our Company</b>	Up to 22,76,400 Equity shares of Rs.10/- each for cash at a price of Rs. 101 per Equity shares aggregating to Rs. 2299.16 Lakhs
<b>The Issue consists of:</b>	
<b>Fresh Issue</b>	Up to 22,76,400 Equity Shares of face value of Rs.10/- each fully paid for cash at a price of Rs. 101 per Equity Share aggregating Rs. 2299.16 Lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,15,200 Equity shares of Rs.10/- each for cash at a price of Rs. 101 per Equity shares aggregating to Rs. 116.35 Lakhs
<b>Net Issue</b>	Up to 21,61,200 Equity shares of Rs.10/- each for cash at a price of Rs. 101 per Equity shares aggregating to Rs. 2182.81 Lakhs

For further details, please refer to chapter titled “*Terms of the Issue*” beginning on page 160.

## PRICE INFORMATION

Issue Price	101/-
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## OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amount (Rs. In Lakhs)
1.	Funding Working Capital Requirements	1,800.00
2.	General Corporate Purposes	449.16
3.	Issue Expenses	50.00
<b>Total</b>		<b>2,299.16</b>

For further details, please refer to chapter titled “*Objects of the Issue*” beginning on page 63.

## PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Set forth is the Pre-Issue shareholding of our Promoters, Promoter Group as a percentage of the paid-up share capital of the Company:

Particular	Pre-Issue	
	Number of Shares	Percentage (%) holding
<b>Promoters</b>		
Mr. Neeraj Kumar Aggarwal	17,30,700	27.34%
Ms. Shilpy Aggarwal	17,30,700	27.34%
Mr. Kanav Gupta	15,38,400	24.30%
<b>Promoter Group</b>		
Mrs. Deepali Aggarwal	1,92,300	3.04%
Ms. Riya Aggarwal	1,92,300	3.04%
Mr. Manoj Gupta	1,92,300	3.04%
Mrs. Anju Gupta	1,92,300	3.04%
<b>Total</b>	<b>57,69,000</b>	<b>91.14%</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

(Rs. In Lacs)

Particulars	For the period from April 01, 2022 to October 31, 2022	For the period ended March 31, 2022	For the period from April 01, 2021 to July 25, 2021	For the period ended March 31, 2021	For the period ended March 31, 2020
Share Capital/ Partners Fixed Capital	2633.00	1728.00	3.00	3.00	3.00
Partners Current Capital/ Reserve and Surplus	411.13	654.27	1396.87	317.42	701.24
Net worth	3044.13	2382.27	1399.87	320.47	704.24
Total Revenue	5602.65	8008.68	1879.68	6211.77	7349.62
Profit after Tax	386.98	504.42	5.22	65.77	43.94
Earnings per share (Basic & diluted) (Rs.)	6.11	7.97	0.08	1.04	0.69

<b>Net Asset Value per Equity Share (Rs.)</b>	48.09	37.63	22.11	5.06	11.13
<b>Total Long-Term borrowings</b>	2406.42	2435.85	426.06	1147.84	484.58

### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualifications which have not been given effect in the restated financial statements.

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

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

(Rs. In lacs)

Nature of Case	Number of cases / Notices issued	Amount involved
<b>Litigations involving our Company</b>		
-Litigation Involving Actions by Statutory/ Regulatory Authorities;	NIL	NIL
-Litigation involving Tax Liabilities;	NIL	NIL
-Proceedings involving issues of moral turpitude or criminal liability on the part of our company;	NIL	NIL
-Proceedings involving Material Violations of Statutory Regulations by our Company;	NIL	NIL
-Matters involving economic offences where proceedings have been initiated against our Company;	NIL	NIL
-Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	NIL	NIL
<b>Litigation involving our directors cum Promoters (indirect Taxes)</b>	NIL	NIL
<b>Litigation involving our directors other than promoters (direct taxes)</b>	NIL	NIL

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 144.

### RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 23.

### SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As per Restated Financial Statements there are no contingent liabilities. For details, please refer to Section titled “*Financial Information*” beginning on page 134.

### SUMMARY OF RELATED PARTY TRANSACTIONS

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

#### i. List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
Key Management Personnel	Mr. Neeraj Kumar Aggarwal
Key Management Personnel	Ms. Shilpy Aggarwal

Key Management Personnel	Mr. Kanav Gupta
Relative of Key Management Personnel	Mrs. Deepali Aggarwal
Relative of Key Management Personnel	Ms. Riya Aggarwal
Relative of Key Management Personnel	Mr. Manoj Gupta
Relative of Key Management Personnel	Mrs. Anju Gupta
<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>	<ul style="list-style-type: none"> <li>• Dewan Chand Madan Lal &amp; Sons</li> <li>• Neeraj Kumar Aggarwal (HUF)</li> <li>• Ramesh Kumar Aggarwal &amp; Sons (HUF)</li> </ul>

**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 October 31, 2022	As at March 31, 2022	As at July 25, 2021	As at March 31, 2021	As at March 31, 2020
Remuneration Paid	Neeraj Kumar Aggarwal	13.30	15.20	-	-	26.50
Capital Contribution / Withdrawal		-	-	729.33	(85.29)	58.66
Rental Expenses		16.10	18.44	1.00	2.50	3.00
Interest on capital		-	-	10.27	13.50	18.33
Loan Received		249.22	638.35	-	-	-
Loan Repaid		154.05	138.50	-	-	-
<b>Total</b>			<b>432.67</b>	<b>810.49</b>	<b>740.60</b>	<b>(69.29)</b>
Remuneration Paid	Shilpy Aggarwal	10.50	12.00	-	-	5.30
Capital Contribution / Withdrawal		-	-	284.2	(210.80)	18.20
Rental Expenses		17.50	20.00	1.80	5.20	5.40
Interest on Capital		-	-	2.05	9.21	10.40
Loan Received		23.12	366.55	-	-	-
Loan Repaid		50.00	50.00	-	-	-
<b>Total</b>			<b>101.12</b>	<b>448.55</b>	<b>288.05</b>	<b>(196.39)</b>
Remuneration Paid	Kanav Gupta	3.50	4.00	-	-	15.90
Capital Contribution / Withdrawal		-	-	43.56	(189.62)	(79.34)
Interest on Capital		-	-	4.83	13.41	30.8
Loan Received		-	150.54	-	-	-
Loan Repaid		32.20	2.93	-	-	-
<b>Total</b>			<b>35.70</b>	<b>157.47</b>	<b>48.39</b>	<b>(176.21)</b>
Salary paid	Ms. Deepali Aggarwal	7.00	-	2.07	6.73	27.00
Loan Received		-	65.55	29.00	0.70	56.00
Loan Repaid		-	181.98	0.63	14.50	3.44
Interest on Loan		-	-	-	7.27	5.32
TDS on Interest on Loan		-	-	-	0.55	0.53
<b>Total</b>			<b>7.00</b>	<b>247.53</b>	<b>31.70</b>	<b>29.75</b>
Salary Paid	Ms. Riya Aggarwal	7.00	-	2.31	1.40	-
Loan Received		-	16.31	-	5.50	-
Loan Repaid		-	19.20	2.61	-	-
<b>Total</b>			<b>7.00</b>	<b>35.51</b>	<b>4.92</b>	<b>6.90</b>
Salary Paid	Ms. Anju Gupta	-	-	-	3.20	1.00

Nature of Transactions	Name of Related Parties	As at October 31, 2022	As at March 31, 2022	As at July 25, 2021	As at March 31, 2021	As at March 31, 2020
Loan Received		-	0.50	-	80.00	-
Loan Repaid		-	77.03	1.80	4.50	-
Interest on Loan		-	-	-	3.06	-
TDS on Interest on Loan		-	-	-	0.23	-
<b>Total</b>		-	<b>77.53</b>	<b>1.80</b>	<b>90.99</b>	<b>1.00</b>
Loan Received	Ms. Neelam Aggarwal	-	-	23.00	193.50	27.00
Loan Repaid		-	-	189.29	116.62	1.27
Interest on Loan		-	-	2.23	8.96	6.71
TDS on Interest on Loan		-	-	0.22	0.67	0.93
<b>Total</b>		-	-	<b>214.74</b>	<b>319.75</b>	<b>35.91</b>
Loan Received	Ramesh Kumar Aggarwal & Sons (HUF)	-	-	30.00	98.65	4.75
Loan Repaid		-	-	115.41	127.98	0.60
Interest on Loan		-	-	1.17	9.39	11.26
TDS on Interest on Loan		-	-	0.12	0.70	1.13
<b>Total</b>		-	-	<b>146.70</b>	<b>236.72</b>	<b>17.74</b>
Loan Received	Neeraj Kumar Aggarwal (HUF)	-	-	54.57	126.00	4.75
Loan Repaid		-	-	156.73	139.44	0.30
Interest on Loan		-	-	1.40	10.72	11.32
TDS on Interest on Loan		-	-	0.14	0.80	2.43
<b>Total</b>		-	-	<b>212.84</b>	<b>276.96</b>	<b>18.80</b>
Loan Received	Dewan Chand Madan Lal & Sons	-	-	-	229.75	336.59
Loan Repaid		-	-	17.08	227.62	430.00
Interest on Loan		-	-	-	12.43	-
		-	-	-	0.93	-
Sale		-	-	-	-	18.10
Business Purchase		-	453.00	-	-	-
<b>Total</b>	-	<b>453.00</b>	<b>17.08</b>	<b>470.73</b>	<b>784.69</b>	

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page 134.

## 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 or securities of our Company during a period of six (6) months immediately preceding the date of this Prospectus.

## WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTERS IN LAST ONE YEAR

Our promoters (excluding promoter group) have received 54,60,000 Equity Shares in the last one (1) year preceding the date of this Prospectus, pursuant to allotment of bonus shares. Weighted average price of such bonus equity share is Nil.

For details, please refer to Section titled “*Capital Structure*” beginning on page 49.

## AVERAGE COST OF ACQUISITION OF PROMOTERS



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

Sr. No.	Name of the Promoter	No of Equity Shares held	Average cost of Acquisition (in Rs.)*
1.	Mr. Neeraj Kumar Aggarwal	18,99,000	0.05
2.	Mr. Kanav Gupta	16,88,000	0.05
3.	Ms. Shilpy Aggarwal	18,99,000	0.05

#### **DETAILS OF PRE-IPO PLACEMENT**

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

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

Our company has issued 63,00,000 Equity Shares by way of bonus share in the ration 210:1 wide board resolution date October 27, 2022. All the Equity shares have been allotted on face value. Other than this, our company has not issued Equity Shares for consideration other than cash in the one (1) year preceding the date of this Prospectus.

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

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

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

Our Company has not filed any application to SEBI with regard to exemption from complying with any provisions of securities laws.

### SECTION III: RISK FACTORS

*An investment in our Equity Shares involve a high degree of financial risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 134, 92 and 137 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our -Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the0 risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

#### **Materiality**

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

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

#### **Note:**

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

*In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 23 and 137 respectively unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.*

### INTERNAL RISK FACTORS

#### **1. Our brand is at its initial stage.**

On June 13, 2017 and December 24, 2018 we applied for application for registering our trademark  and DE- NEERS respectively which got subsequently registered. As our trademark is new in market it requires expenditure on advertisement for its recognition and acceptance among our existing and potential clients/ customers. We cannot guarantee that expenditure on advertisement would be effective and result in acquisition of new clients/customers and increase in revenue. However, as the promoter family is engaged in same industry since 1950s, the Company enjoys good reputation in existing market it currently serves. We enjoy the patronage of our existing clients who we have served from many years and we believe that we can retain our existing clients and acquire new

**2. Our debtors constitute payments that are due from over 3 years.**

As of October 31, 2022, we have debtors aggregating to Rs.136.70 Lakhs, Rs.16.93 Lakhs and Rs.16.35 Lakhs outstanding for 1-2 years, 2-3 years and over 3 years respectively. These debtors collectively are 4.89% of our total debtors of Rs. 3,473.58 Lakhs. We have not recognized them as bad debt as the company is hopeful of recovering these amounts. Further, we have already expedited the follow ups with such debtors.

**3. The products marketed and sold by our Company in relation to the “De Neers” brand are vulnerable to counterfeiting or imitation by third parties that may affect the reputation of our Company.**

The products marketed and sold by us under the “De Neers” brand are developed specially for us as per our specifications. Our Company ensures that these products are manufactured under the standards we desire and the manufacturers are not permitted to sell these products under our brand to any other customer without our prior approval. We maintain a close check and control over each stage of the production process. However, our “De Neers” brand of products are vulnerable to counterfeiting and imitation by third party vendors who may manufacture and sell products in the mass market at relatively cheaper prices. While we make constant checks in mass markets in an effort to prevent the sale of any counterfeit products of our “De Neers” brand, there can be no assurance that we will be able to prevent sale of counterfeit products at all time. Any sale of counterfeit or imitation products which does not match the quality standards of our products will adversely impact our reputation. It will also materially affect our business, prospects, results of operations and financial conditions.

**4. We have experienced negative cash flows in the past.**

Our Company had negative cash flows from our operating activities and investing activities as per the Restated Financial Statements.

**Restated Financial Statements -**

(Rs. In Lakhs)

Particulars	For the Period from 1st April 2022 to 31st October 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at March 31, 2021	As at March 31, 2020
Cash Flow from/ (used in) Operating Activities	(1098.47)	(2178.04)	(533.72)	(134.06)	(656.38)
Cash Flow from/ (used in) Financing Activities	(57.31)	(146.39)	(17.64)	(51.00)	(41.96)
Cash Flow from/ (used in) Investing Activities	1037.55	2437.94	491.17	223.23	719.95

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

**5. The Company has taken unsecured borrowings payable on demand from Promoters.**

The total indebtedness (Secured and Unsecured) including auto loans of our company for period ended 31 October 2022 is Rs. 4,508.57 Lakhs out of which Rs 2,241.75 Lakhs (49.72%) is from Promoters. These borrowings from promoters are unsecured and payable in demand. After the repayment of such loans, our company may or may not be in a position to take new loans immediately when the need arises or from a source which may give favorable terms. This could affect the Company’s operation and profitability.

**6. We rely substantially on third parties.**

Our sales depend substantially upon distributor/ dealer network. We cannot assure you that such third parties will be able to establish or maintain adequate sales capabilities or will be successful in ensuring sale of our products.

Further, we do not enter into exclusive agreements with these parties and we cannot assure you that such third parties will be able to fulfil their obligations under such agreements entirely, in a manner acceptable to us, or at all. Authorized distributors, as independent business operators, may, from time to time, disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under applicable agreements. We cannot assure you that such third parties will not breach certain terms of such agreements or shall not choose to terminate their agreements with our Company. We may have to initiate litigation in respect of any breach by such third parties, and such litigation could divert the attention of our management from our operations, which could harm our business, financial condition and results of operation. Further, we cannot assure you that the outcome of any such litigation will be favourable to us. However, in our experience, we have never faced such difficulties in the recent past.

**7. Our major revenues are derived from sales made in the states of Delhi NCR, Gujarat, Telangana, Bihar & Uttar Pradesh (UP) in India.**

Our growth strategy to expand into new geographic areas possesses risks. We may not be able to successfully manage some or all of such risks, which may have a material adverse effect on our revenues, profits and financial condition. Two-third of our operations have been geographically concentrated in the states of Delhi NCR, Gujarat, Telangana, Bihar & Uttar Pradesh (UP). Our business is therefore significantly dependent on the general economic condition and activity in these States in which we operate along with the Central, State and Local Government policies relating to the industries in which we operate. Although, investment in the industries in which we operate has been encouraged, there can be no assurance that this will continue. We may expand geographically and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities.

**8. We are dependent on a number of key personnel and services of the members of senior management and the loss of such persons, or our inability to attract and retain key personnel and senior management in the future, could adversely affect our business, growth prospects, results of operations and cash flows.**

Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. We are highly dependent on our Promoters i.e. Mr. Neeraj Kumar Aggarwal, Mr. Kanav Gupta and Mrs. Shilpy Aggarwal to run and/or grow our business. We believe that our relation with our Promoters and key managerial persons, who have experience in setting up our business, developing the markets, managing the people who we engage in the supplying, marketing and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoter families and our success depends upon the continuing services of our Promoters who has been instrumental to the growth of our business and is closely involved in the overall strategy, direction and management of our business. The loss of any of our Promoter or other key personnel, or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, growth prospects, results of operations and cash flows.

We face competition to recruit and retain skilled staff. Due to the limited availability of skilled personnel, competition for the talent in our industry is intense. We may experience difficulties in attracting, recruiting and retaining an appropriate number of skilled staff for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these personnel. Our future success substantially depends on our ability to recruit, hire, motivate, develop, and retain talented and skilled personnel and our senior management. We believe that the inputs and experience of our senior management are valuable for the development of business and operations and the strategic directions taken by our Company.

For details in relation to the experience of our Promoter and key management personnel, please refer to chapter titled “*Our Management*” beginning on page 113. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us in the future. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all.

**9. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.**

We compete directly against old and established brands in organized space and others in unorganized space of handtools industry. Some of the organized players have strong brand recognition. We compete primarily on the basis of brand image, performance and quality. In order to compete effectively, we must continue to maintain and develop our brand image and reputation, be flexible and innovative in responding to rapidly changing market

demands and customer preferences and offer customers a wide variety of good quality products at competitive prices.

Some of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, marketing, distribution budgets and other resources than we do. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, standards or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

**10. If we are unable to attract new customers or retain our existing customers the growth of our business and cash flows will be adversely affected.**

To increase our revenue and cash flows, we must regularly add new customers or expand our dealer network. If we are unable to generate sufficient leads through our marketing programs, or if our existing or new clients do not perceive our products to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. If we fail to sell our products to new customers or fail to retain our existing customers do not renew their contracts, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

**11. Our Registered Office is not registered in our name and is taken on lease. There can be no assurance that the said lease agreement will be renewed upon termination or that we will be able to obtain other premises on lease / rent on same or similar commercial terms.**

Our Registered Office is not registered in our name and is taken on lease. In the event said lease agreement is not renewed or is terminated, it could adversely affect our operations unless we arrange for similar premises. The premise on which our Registered Office is situated is owned by the promoter group. If we are unable to continue or renew such license agreement on same or similar terms or find alternate premises on lease / rent on similar terms or at all, it may affect our business operations. For further details, please refer to chapter titled “*Our Business*” beginning on page 92.

**12. There has been instances of delay in RoC compliances.**

**13.** In the past, there have been instances of delay in filing of eforms for Board Meetings and General Meetings. However, as on date, all the due forms have been filed with RoC along with additional fee wherever applicable. Despite our efforts for compliance, we cannot provide a guarantee of zero non-compliance with RoC or any other statutory body. In case of any such delay, our profitability could be negatively affected. **We have working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.**

Our business requires a substantial amount of working capital for our business operations. We would require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the IPO proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/cash flows would be adversely affected to that extent, and consequently affect our operations revenue and profitability.

**14. We cannot predict or forecast the success of our business.**

We cannot predict or forecast the success of our business. The revenue from sale of tools greatly depend on the economic growth, expending on infrastructure, distribution channel and other economic reasons. In addition, changing consumer behaviour may compromise our ability to predict the success of business in India and internationally. Consumer’s negative behaviour could adversely affect our business and damage our Company’s reputation, any of which could have a material adverse effect on the Company’s business, financial condition and results of operations.

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

Our Company has entered into certain transactions with the Promoter, Promoter Group and Directors. While we believe that all such transactions are conducted at arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not being entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations. For details on the related party transactions entered into by our Company, please refer to chapter titled "Restated Financial Statements" on page 134.

We also confirm that the Company is in compliance with Accounting Standard-18 as notified pursuant to Company (Accounting Standard) Rules 2006 along with the provisions of Companies Act 2013, for related party transactions.

**16. Loans availed by Our Company from our Promoter and Other Group Entities are unsecured and payable on demand.**

Our Group Entities have provided unsecured long-term and short-term loans to our company that are payable on demand. In case of a default on our behalf or a need of funds by such group entities, the loans may be asked to be repaid. This could negatively impact our operations and profitability. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse affect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate borrowings from other lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "*Statement of Financial Indebtedness*" on page 135.

**17. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.**

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed period of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to comply with such conditions, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please refer to chapters titled "*Key Industry Regulations and Policies*" and "*Government and Other Statutory Approvals*" beginning on pages 102 and 146 respectively.

**18. Certain sections of this Prospectus disclose information from an industry report commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**

Pursuant to being engaged by us, CareEdge Research, prepared the Industry Report. Certain sections of this Prospectus include information based on, or derived from, the Industry Report or extracts of the Industry Report. All such information in this Prospectus indicates the Industry Report as its source. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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, projections, forecasts and assumptions that may prove to be incorrect. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely amongst different industry sources. Furthermore, such assumptions may change based on various factors. We cannot assure that the Industry Report assumptions are correct or will not change

and, accordingly, our position in the market may differ from that presented in this Prospectus. Furthermore, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as an expert advice or investment advice. Prospective investors are advised not to unduly rely on the Industry Report or extracts thereof as included in this Prospectus, when making their investment decisions.

**19. Our Promoter and Promoter Group will continue to hold majority shareholding after the completion of the Issue.**

After completion of the Issue, our Promoter and members of the Promoter Group will collectively own a majority of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our AOA. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**20. The deployment of funds raised through this Issue shall not be subject to any monitoring agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue size is less than Rs. 10,000 Lakhs, there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. Therefore, the deployment of these funds raised through this Issue is 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. However, such utilisation shall be subject to necessary laws including monitoring of utilization of issue proceeds by the Audit Committee in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Nevertheless, inability, if any, on our part to effectively utilize the Issue proceeds could adversely affect our financial results.

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

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

**22. We cannot assure you that the deployment of the Net Proceeds in the manner intended by us will result in increase in the value of your investment.**

We intend to primarily use the Net Proceeds as described under chapter titled “*Objects of the Issue*” beginning on page 63. Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank, financial institution or other independent agency. In response to the dynamic nature of our business, our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management.

Further, pursuant to section 27 of the Companies Act any variation in the objects for which the Red Herring Prospectus was issued would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the objects in accordance with the SEBI ICDR Regulation and SEBI LODR Regulations. In the event of any such variation in the objects, the Promoter or controlling shareholders will provide an exit opportunity to such dissenting shareholders in accordance with the applicable provisions of SEBI ICDR Regulations.

Further, pending utilization of the Net Proceeds, we are required to deposit the Net Proceeds for any interim period only in scheduled commercial banks listed under Schedule II of the Banking Regulation Act, 1949. We cannot assure you that we will earn significant interest income on such deposits.

**23. Significant differences exist between Indian GAAP and Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.**

Our Financial Statements included in this Prospectus are prepared and presented in conformity with Indian GAAP, and in each case, restated in accordance with the requirements of section 26 of the Companies Act read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2016)" issued by the ICAI. Indian GAAP differs from Ind AS and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP.

**24. We are dependent on third party transportation providers for the delivery of products. Accordingly, any increase in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.**

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products and raw material, as the case may be, from our vendors and suppliers and for transportation of our products. For this purpose, we hire services of transportation companies. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. We do not enter into written documentation in relation to the transportation services we hire. We could be faced with transportation risks due to any loss or pilferage, which we may not be able to recover from our insurance coverage. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a timely and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, including, as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lockdowns, accidents, inadequacies in road infrastructure or other similar events. Although, we have experienced few disruptions in the past on account of state wide transportation strikes, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

**25. We may not be able to sustain effective implementation of our business and growth strategy.**

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse affect on our business, financial condition and results of operations.

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

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "*Basis for Issue Price*" beginning on page 69. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**27. Additional issuances of equity may dilute your holdings and sales by our Promoter could adversely affect the market price of our Equity Shares.**

Sales of a large number of our Equity Shares by our Promoter could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect

the market price of our Equity Shares. Any future issuance of our Equity Shares or securities linked to our Equity Shares, such as ESOPs, etc. may dilute your shareholding in our Company as well as the holdings of our existing shareholders. Similarly, sales of our Equity Shares by a major shareholder may adversely affect the trading price of the Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Under the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), listed companies in our category are required to maintain public shareholding of at least 25.00% of their issued share capital. Pursuant to the Securities Contracts (Regulation) (Amendment) Rules, 2010, notified on June 4, 2010 and the notification of the Ministry of Finance, Government of India dated August 9, 2010, the SCRR were amended to define public shareholding as to refer to persons other than a company's promoter and promoter group and subsidiaries and associates, and excluding shares held by a custodian against which depository receipts have been issued overseas.

## EXTERNAL RISK FACTORS

### **28. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Famine, war, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, famine, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Our operations may be adversely affected by natural disasters and/or severe weather conditions, which can result in damage to our seeds inventory and hamper our productivity and may slow down our business operations temporarily or any other factor, which can adversely affect agriculture market in which we operate. 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.

In addition, India has witnessed local civil disturbances in recent years, in particular communal violence across ethnic or communal lines involving conflicts, riots and other forms of violence between communities of different religious faith or ethnic origins, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

### **29. The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.**

During the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and workforce. Any intensification of the COVID-19 pandemic or any

future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "*Government and Other Approvals*" on page 146 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse affect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, any future amendments to Goods and Services Tax (GST) may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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

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

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

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

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

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

## SECTION IV -INTRODUCTION

### THE ISSUE

PRESENT ISSUE IN TERMS OF THIS PROSPECTUS	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	22,76,400 Equity Shares aggregating to Rs. 2,299.16 Lakhs
<b>Out of which:</b>	
<b>Issue Reserved for the Market Maker</b>	1,15,200 Equity Shares aggregating to Rs. 116.35 Lakhs.
<b>Net Issue to the Public</b>	21,61,200 Equity Shares aggregating to Rs. 2,182.81 Lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(4)(5)</sup>	10,78,800 Equity Shares aggregating up to Rs. 1,089.59 Lakhs
<b>Of which</b>	
i. Anchor Investor Portion	Nil
ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	10,78,800 Equity Shares aggregating up to Rs. 1,089.59 lakhs
<b>Of which</b>	
a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	54,000 Equity Shares aggregating up to Rs. 54.54 Lakhs ( <i>adjusted to meet the lot size</i> )
b. Balance of QIB Portion for all QIBs including Mutual Funds	10,24,800 Equity Shares aggregating up to Rs. 1,035.05 Lakhs
B. Non-Institutional Portion	3,25,200 Equity Shares aggregating up to Rs. 328.45 lakhs
C. Retail Portion	7,57,200 Equity Shares aggregating up to Rs. 764.77 lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	63,30,000 Equity Shares of face value of Rs.10 each
<b>Equity Shares outstanding after the Issue</b>	86,06,400 Equity Shares of face value Rs.10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 63 of this Prospectus.

*\*Subject to finalisation of the Basis of Allotment. Number of shares have been adjusted for lot size upon determination of issue price band.*

*The QIB, Non-Institutional and Retail portion were changed pursuant to a Corrigendum published on April 25, 2023 in Financial Express, Jansatta and Delhi Edition of Regional newspaper Pratah Kiran. The same was submitted with Designated Stock Exchange, Registrar to the Offer, RoC and SEBI.*

#### Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 10, 2022 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on November 11, 2022.
- 3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

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

For details, including grounds for rejection of Bids, refer to “*Issue Structure*” and “*Issue Procedure*” on page 168 and 171, respectively. For details of the terms of the Issue, see “*Terms of the Issue*” on page 160.

**SUMMARY OF FINANCIAL INFORMATION**

RESTATED STATEMENT OF ASSETS AND LIABILITIES							
<i>(Rs. in Lakhs)</i>							
Sr. No.	Particulars	Note No.	As at October 31, 2022	As at March 31, 2022	As at July 25, 2021	As at March 31, 2021	As at March 31, 2020
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Share Capital	<b>I.1</b>	2633.00	1728.00	3.00	3.00	3.00
	Reserves & Surplus	<b>I.2</b>	411.13	654.27	1396.87	317.42	712.87
	<b>Share application money pending allotment</b>						
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-Term Borrowings	<b>I.3</b>	2406.42	2435.85	426.06	1147.84	484.58
	Other Non-Current Liabilities	<b>I.4</b>	3.81	3.81	0.00	0.00	0.00
	Deferred Tax Liabilities	<b>I.10</b>					
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	<b>I.5</b>	2102.16	1208.41	1193.60	1022.05	869.34
	Trade Payables	<b>I.6</b>	4464.51	3555.14	3157.96	3575.56	3471.34
	Other Current Liabilities	<b>I.7</b>	381.88	150.05	481.93	16.92	22.17
	Short Term Provisions	<b>I.8</b>	155.23	197.99	5.07	28.49	18.77
	<b>Total</b>		<b>12558.14</b>	<b>9933.52</b>	<b>6664.49</b>	<b>6111.28</b>	<b>5582.07</b>
<b>B.</b>	<b>Assets</b>						
<b>1</b>	<b>Non-Current Assets</b>						
	<b>Property, Plant &amp; Equipments</b>						
	Tangible Assets	<b>I.9</b>	178.11	182.15	70.68	59.37	41.80
	Intangible Assets						
	Capital Work In Progress						
	Non-Current Investments						
	Deferred Tax Assets	<b>I.10</b>	11.58	10.47	5.49	4.45	14.04
	Long Term Loans & Advances						
	Other Non-Current Assets	<b>I.11</b>	42.71	18.41	17.55	19.15	4.38
<b>2</b>	<b>Current Assets</b>						
	Investments						
	Inventories	<b>I.12</b>	6585.70	5394.30	3126.81	2675.21	1329.19
	Trade Receivables	<b>I.13</b>	4490.63	3473.58	3237.16	2989.90	4010.30
	Cash and Cash Equivalents	<b>I.14</b>	8.28	126.51	13.01	73.21	35.04
	Short-Term Loans and Advances	<b>I.15</b>	686.46	318.92	7.32	45.76	56.25
	Other Current Assets	<b>I.16</b>	554.66	409.19	186.48	244.24	91.09
	<b>Total</b>		<b>12558.14</b>	<b>9933.52</b>	<b>6664.50</b>	<b>6111.28</b>	<b>5582.07</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 IV, II, III.

RESTATED STATEMENT OF PROFIT AND LOSS							
(Rs. in Lakhs)							
Sr. No	Particulars	Note No.	For the Period from 1st April 2022 to 31st October 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	For The Year Ended 31st March	
						2021	2020
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>II.1</b>	5602.27	6019.04	1879.68	6211.77	7349.60
	Other income	<b>II.2</b>	0.38	109.96	0.00	0.00	0.02
	<b>Total revenue</b>		<b>5602.65</b>	<b>6129.00</b>	<b>1879.68</b>	<b>6211.77</b>	<b>7349.62</b>
<b>B.</b>	<b>Expenses:</b>						
	Purchase of Stock in Trade	<b>II.3</b>	5630.07	7084.65	2130.55	6922.30	6122.80
	Changes in Inventories of Finished Goods	<b>II.4</b>	(1191.40)	(2267.50)	(451.60)	(1346.02)	633.69
	Employees Benefit Expenses	<b>II.5</b>	160.31	196.66	37.55	107.37	136.24
	Finance costs	<b>II.6</b>	101.77	70.03	32.84	143.14	99.25
	Depreciation and Amortization	<b>II.7</b>	37.05	33.76	7.92	18.64	13.44
	Other expenses	<b>II.8</b>	312.02	318.86	107.95	271.82	283.91
	<b>Total Expenses</b>		<b>5049.82</b>	<b>5436.47</b>	<b>1865.23</b>	<b>6117.26</b>	<b>7289.32</b>
	<b>Profit/(Loss) before exceptional items and tax</b>		<b>552.82</b>	<b>692.53</b>	<b>14.46</b>	<b>94.51</b>	<b>60.30</b>
	Exceptional Items						
	<b>Profit before tax</b>		<b>552.82</b>	<b>692.53</b>	<b>14.46</b>	<b>94.51</b>	<b>60.30</b>
	<b>Tax expense:</b>						
	Current tax		154.91	197.65	5.07	28.49	18.77
	Prior Period IT *		12.04	0.66	5.21	2.29	-
	Deferred Tax	<b>II.9</b>	(1.11)	(4.98)	(1.04)	9.59	(14.04)
	<b>Profit/(Loss) for the period/ year</b>		<b>386.98</b>	<b>499.21</b>	<b>5.22</b>	<b>54.14</b>	<b>55.57</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic*		6.11	7.89	0.08	1.04	0.69
	(2) Diluted		6.11	7.89	0.08	1.04	0.69
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure IV, I, III.							
Note : Prior Period IT is difference between provision for income tax on companies in restated financials and actual tax payment in audited financials.							
* The Company has issued bonus equity shares of Rs. 6,30,00,000 which is in the ratio 210:1 to existing equity shareholders on October 27, 2022.							

RESTATED STATEMENT OF CASH FLOWS					
(Rs. in Lakhs)					
Particulars	For the Period from 1st April 2022 to 31st October 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at March 31, 2021	As at March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/ (Loss) before tax	552.82	692.53	14.46	94.51	60.30
Adjustments for:					
Depreciation	37.05	33.76	7.92	18.64	13.44
Prov for Grauity		3.81			
Loss on sale of FA		0.30			
Interest Expense	101.77	70.03	32.84	143.14	99.25
<b>Operating profit before working capital changes</b>	<b>691.64</b>	<b>800.43</b>	<b>55.22</b>	<b>256.30</b>	<b>172.99</b>
Movements in working capital :					
(Increase)/ Decrease in Inventories	(1191.39)	(2267.50)	(451.60)	(1346.02)	633.69
(Increase)/Decrease in Trade Receivables	(1017.06)	(236.42)	(247.26)	1020.40	(1729.56)
(Increase)/Decrease in Other Current Assets/ Non Current Assets	(146.62)	(224.49)	57.40	(149.43)	209.93
(Increase)/Decrease in Short Term Loans & Advances	(392.54)	(260.60)	21.44	6.61	46.29
Increase/(Decrease) in Trade Payables	909.37	397.18	(417.60)	104.22	35.32
Increase/(Decrease) in Other Current Liabilities	231.83	(331.89)	465.02	(5.25)	(4.02)
<b>Cash generated from operations</b>	<b>(914.78)</b>	<b>(2123.28)</b>	<b>(517.39)</b>	<b>(113.16)</b>	<b>(635.37)</b>
Income tax paid during the year /period	(183.70)	(54.76)	(16.33)	(20.90)	(21.02)
<b>Net cash from operating activities (A)</b>	<b>(1098.47)</b>	<b>(2178.04)</b>	<b>(533.72)</b>	<b>(134.06)</b>	<b>(656.38)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	(33.01)	(145.53)	(19.24)	(36.22)	(37.58)
(Increase)/Decrease in Long Term Loans & Advances					
(Increase)/Decrease in Other Non Current Assets	(24.30)	(0.86)	1.60	(14.78)	(4.38)
<b>Net cash from investing activities (B)</b>	<b>(57.31)</b>	<b>(146.39)</b>	<b>(17.64)</b>	<b>(51.00)</b>	<b>(41.96)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest paid on borrowings	(101.77)	(70.03)	(32.84)	(143.14)	(99.25)
Proceeds/(Repayment) of Borrowings	864.31	782.96	(550.23)	815.97	897.62
Proceeds/(Repayment) of Share Capital/Partners Capital	275.00	1725.00	1074.24	(449.60)	(78.43)
<b>Net cash from financing activities (C)</b>	<b>1037.55</b>	<b>2437.94</b>	<b>491.17</b>	<b>223.23</b>	<b>719.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(118.23)</b>	<b>113.50</b>	<b>(60.20)</b>	<b>38.17</b>	<b>21.61</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>126.51</b>	<b>13.01</b>	<b>73.21</b>	<b>35.04</b>	<b>13.43</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8.28</b>	<b>126.51</b>	<b>13.01</b>	<b>73.21</b>	<b>35.04</b>

<b>Cash and cash equivalents</b>					
<b>Comprises of:</b>					
<b>Cash in Hand</b>	1.50	33.65	6.49	4.24	9.44
<b>Cash at Bank</b>	6.78	92.86	6.52	68.96	25.60
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II.					

## GENERAL INFORMATION

Our Company was formed on July 26, 2021 as a public limited company under the Companies Act, 2013 pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Delhi NCR. Prior to being converted into a company, our company was a limited liability partnership in the name of *De Neers Tools LLP* which was formed on March 20, 2018. Also, on June 17, 2021, *De Neers Tools LLP* took over the business of *M/s Deewan Chand Madanlal & Sons* on going concern basis. Lastly, on July 26, 2021 *De Neers Tools LLP* was converted into De Neers Tools Limited.

The Corporate Identity Number of our Company is U29309DL2021PLC384229. For further details on incorporation and registered office of our Company, refer to chapter titled '*Our History and Certain Other Corporate Matters*' beginning on page 109.

### REGISTERED OFFICE

#### DE NEERS TOOLS LIMITED

Plot No. 468, Ground Floor,

Industrial Area Patparganj,

East Delhi-110092, India

**Tel No.** 011 47072555

**E-mail:** [compliance@deneerstools.com](mailto:compliance@deneerstools.com)

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

### REGISTRAR OF COMPANIES

#### REGISTRAR OF COMPANIES, DELHI

Registrar of Companies, 4<sup>th</sup> Floor, IFCI Tower, 61,

Nehru Place, New Delhi – 110019

**Tel:** 011-26235703, 26235708

**E-mail:** [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

### DESIGNATED STOCK EXCHANGE

#### NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, Plot no. C/1, G Block,

Bandra- Kurla Complex, Bandra (E)

Mumbai – 400051

**Tel No.:** 022 – 2659 8100/ 8114

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

### BOARD OF DIRECTORS

Sr. No.	Name	Age	DIN	Address	Designation
1.	Mr. Neeraj Kumar Aggarwal	48	08058134	E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092 India	Managing Director
2.	Mr. Kanav Gupta	28	06802701	House No. 143, Vikas Marg, Jagriti Enclave, Shakarpur, Baramad, Shakarpur, East Delhi, Delhi-110092	Whole Time Director and Chief Financial Officer
3.	Ms. Shilpy Aggarwal	46	08058135	E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092 India	Whole Time Director
4.	Ms. Aarti Arora	51	09573758	F-5/12 1 <sup>st</sup> Floor, Near Naini Lake, Model Town II, Delhi-110009	Independent Director
5.	Mr. Dhikash	34	07678926	Village Budhanpur Khalsa, Karnal, Indri, Haryana-132041	Independent Director
6.	Mr. Rajesh Gupta	45	03430497	195 Jagriti Enclaves, Shakarpur, Delhi-110092	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 113.

#### CHIEF FINANCIAL OFFICER

**Mr. KANAV GUPTA**

Plot No. 468, Ground Floor,  
Industrial Area Patparganj,  
East Delhi-110092, India  
**Tel No.:** 011 47072555  
**Email:** [compliance@deneerstools.com](mailto:compliance@deneerstools.com)  
**Website:** [www.deneerstools.com](http://www.deneerstools.com)

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. NISHA SHAW**

PNo. 468, Ground Floor,  
Industrial Area, Patparganj,  
East Delhi-110092, India  
**Tel No.:** 011 47072555  
**Email:** [compliance@deneerstools.com](mailto:compliance@deneerstools.com)  
**Website:** [www.deneerstools.com](http://www.deneerstools.com)

#### INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Book Runner Lead Manager in case of any Pre-Issue or Post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode, etc.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Application Form was submitted, giving full details such as name of the sole or First Applicant, Application Form number, Applicant’s DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove.

#### BOOK RUNNING LEAD MANAGERS TO THE ISSUE

<p><b>KHAMBATTA SECURITIES LIMITED</b> 1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai, Maharashtra – 400 001, India <b>Tel:</b> 011-41645051, 022-66413315 <b>Email:</b> <a href="mailto:ipo@khambattasecurities.com">ipo@khambattasecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:mbcomplaints@khambattasecurities.com">mbcomplaints@khambattasecurities.com</a> <b>Website:</b> <a href="http://www.khambattasecurities.com">www.khambattasecurities.com</a> <b>Contact Person:</b> Mr. Vipin Aggarwal; Mr. Vinay Pareek <b>SEBI Registration No.:</b> INM000011914</p>	<p><b>SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED</b> A-15, Sector-64, Noida – 201301, UP, India <b>Tel No.:</b> +91-0120-4910000 <b>Email:</b> <a href="mailto:anand.srivastava@shareindia.co.in">anand.srivastava@shareindia.co.in</a> <b>Contact Person:</b> Mr. Anand Srivastava <b>Website:</b> <a href="http://www.shareindia.com">www.shareindia.com</a> <b>SEBI Registration No.:</b> INM000012537</p>
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**Note:** Khambatta Securities Limited is responsible for the due diligence, pre-issue and post issue-closure formalities. Share India Capital Services Limited is responsible only for the portion of the underwriting (as per the Underwriting Agreement) and the marketing of this IPO. Share India Capital Services Limited was not present in DRHP. It has been added in RHP only.

**REGISTRAR TO THE ISSUE****BIGSHARE SERVICES PRIVATE LIMITED**

S6-2, 6<sup>th</sup> Pinnacle business Park, Mahakali Caves Road,  
Next to Ahura Centre, Andheri East, Maharashtra – 400093,  
Maharashtra, India  
**Tel.:** 022 6263 8200  
**Fax:** 022 6263 8299  
**E-Mail:** ipo@bigshareonline.com  
**Investor Grievance Email:** investor@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Contact Person:** Mr. Swapnil Kate  
**SEBI Regn. No.:** INR000001385

**LEGAL ADVISOR TO THE ISSUE****MR. RAMESH KUMAR SEHGAL**

399 Chandni Chowk,  
New Delhi - 110006  
**Enrollment No.:** D/260/73  
**Tel:** 9810221619  
**Email:** ramesh.sehgal.adv@gmail.com

**BANKER TO THE COMPANY****HDFC BANK LIMITED**

120, Patparganj Industrial Area,  
Delhi-110091, India  
**Tel:** 9599336446  
**E-mail:** himanshu.agarwall1@hdfcbank.com  
**Contact Person:** Himanshu Agarwal

**BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK****HDFC BANK LIMITED**

FIG-OPS Department-Lodha,  
I Think Techno Campus O-3 Level,  
Next to Kanjurmarg, Railway Station,  
Kanjurmarg (East) Mumbai-400042  
**Tel:** 022-30752927/28/2914  
**Fax:** 022-25799801  
**E-mail:** Siddharth.Jadhav@hdfcbank.com, eric.bacha@hdfcbank.com,  
vikas.rahate@hdfcbank.com, tushar.gavankar@hdfcbank.com  
**Contact Person:** Siddharth Jadhav, Eric Bacha, Vikas Rahate, Tushar Gavankar  
**Website:** www.hdfcbank.com

**STATUTORY AUDITOR CUM PEER REVIEWED AUDITOR****M/S GAUTAM SEHGAL & CO.****Chartered Accountants**

399, 1st Floor, Chandni Chowk,  
Delhi – 110006, India  
**Tel:** +91 11 49099767, 41679367  
**Firm Registration No:** 015736N  
**Peer Review Certificate No:** 010010  
**Contact Person:** Gautam Sehgal  
**Membership No.:** 095938  
**Email:** support@gsco.in

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Below mentioned table set forth the inter-se allocation of responsibilities for various activities between the Khambatta Securities Limited (KSL) and Share India Capital Services Private Limited (SICSPL).

Sr. No.	Activities	Responsibility	Coordinator
1.	Capital restructuring with the relative components and formalities such as type of instruments, etc.	KSL	KSL
2.	Due diligence of the Company's operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisements including memorandum containing salient features of the Prospectus. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchange, RoC and SEBI including finalization of the Prospectus and filing with the RoC.	KSL	KSL
3.	Appointment of Registrar to the issue (RTA), bankers to the Issue, printers and other intermediaries in the Issue.	KSL	KSL
5.	<ul style="list-style-type: none"> <li>➤ Appointment of advertising agency.</li> <li>➤ Developing marketing strategy which will cover, inter alia</li> <li>➤ Formulating marketing strategies, preparation of publicity budget;</li> <li>➤ Finalising media, marketing and public relations strategy;</li> <li>➤ Drafting and approval of all publicity material including corporate advertisement, brochure, etc. other than statutory advertisements as mentioned above</li> </ul>	SICSPL	SICSPL
6.	Management of Public Issue Bank account and Refund Bank account and allocation.	KSL	KSL
7.	Post Issue activities including coordination for non-institutional allocation, coordination with Registrar and Banks, intimation of allocation and instruction to RTA to unblock the funds of unsuccessful applicants, etc. The post issue activities of the issue will involve essential follow up steps, which include finalization of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and unblocking of ASBA funds, etc. The Lead managers shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge the responsibility through suitable agreements with the Issuer Company.	KSL	KSL

**Note:** KSL is responsible for the due diligence, pre-issue and post issue-closure formalities. Share India Capital Services Limited is responsible only for the portion of the underwriting (as per the Underwriting Agreement) and the marketing of this IPO. Share India Capital Services Limited was not present in DRHP. It has been added in RHP only.

### DESIGNATED INTERMEDIARIES:

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

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time

to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the above mentioned SEBI link.

### **Syndicate SCSB Branches**

In relation to ASBA Applications 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 Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

### **Registered Brokers**

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

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

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Collecting Depository Participants**

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 SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

## **CREDIT RATING**

This being an issue of Equity shares, credit rating is not required.

## **IPO GRADING**

Our Company has not obtained any IPO grading for this issue from any credit rating agency.

## **DEBENTURE TRUSTEES**

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

## **MONITORING AGENCY**

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

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

The Red Herring Prospectus and Prospectus shall be filed on NSE Emerge.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Red Herring Prospectus has not been submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated

January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Prospectus along with the material contracts and documents referred elsewhere in the Prospectus required to be filed under Section 26 and Section 28 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Delhi, Registrar of Companies, 4<sup>th</sup> Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 at least (3) three working days prior from the date of opening of the Issue.

#### APPRAISING ENTITY

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

#### TYPE OF ISSUE

The present Issue is considered to be Book Building Offer.

#### GREEN SHOE OPTION

No green shoe option is contemplated under the Issue.

#### WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from SME Platform of National Stock Exchange (EMERGE), which our Company shall apply for after Allotment. If our Company \ withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Red Herring Prospectus.

#### EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor & Peer Reviewed Auditor namely, **M/s Gautam Sehgal & Co.**, Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated November 11, 2022 and the Statement of Special Tax Benefits dated November 22, 2022 issued by them and included in this Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 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 Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

#### CHANGES IN AUDITORS

Our Company has appointed M/s Gautam Sehgal & Co., Chartered Accountants, as its first statutory auditors on August 20, 2021. There has been no change in our statutory auditors since the date of incorporation.

#### UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. Pursuant to the terms of the Underwriting Agreement dated April 17, 2023, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The

Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of Equity Shares Underwritten*	% of total Issue size underwritten
<b>Khambatta Securities Limited</b> 1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai-400001 Maharashtra India <b>Tel:</b> 011-41645051; 022-66413315 <b>Email:</b> ipo@khambattasecurities.com <b>Investor Grievance Email:</b> mbcomplaints@khambattasecurities.com <b>Website:</b> www.khambattasecurities.com <b>Contact Person:</b> Mr. Vipin Aggarwal; Mr. Vinay Pareek <b>SEBI Registration No.:</b> INM000011914	3,42,000	15.02%
<b>Share India Capital Services Private Limited</b> A 15, Sector 64, Noida – 201301, Uttar Pradesh <b>Tel:</b> 0120 – 4910000 <b>Email Id:</b> anand.srivastava@shareindia.co.in <b>Contact Person:</b> Mr. Anand Srivastava <b>Website:</b> www.shareindia.com	19,34,400	84.98%
<b>Total</b>	<b>22,76,400</b>	<b>100.00%</b>

\*Includes 1,15,200 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations, as amended.

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, this Issue has been 100% underwritten and shall not restrict to the minimum subscription level. As per Regulation 260 of SEBI ICDR Regulations the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue (Including the Market Maker Reservation portion) out of its own account and the remaining shall be underwritten by other Underwriters including BRLMs.

## MARKET MAKER

### SHARE INDIA SECURITIES LIMITED

A 15, Sector 64, Noida – 201301, Uttar Pradesh  
**Tel:** 0120 – 4910000  
**Email Id:** info@shareindia.co.in  
**Contact Person:** Mr. Vikas Aggarwal  
**Website:** [www.shareindia.com](http://www.shareindia.com)  
**SEBI Regn No.:** NSE- INZ000178336

## DETAILS OF THE MARKET MAKING AGREEMENT

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Managers and the Market Maker (duly registered with NSE to fulfil the obligations of Market Making) dated April 17, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

Share India 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:

- ❖ 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 offered by the Market Maker.
- ❖ 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 Emerge and SEBI from time to time.
- ❖ The minimum depth of the quote shall be Rs.1,00,000. However, the investors with holdings of value less than Rs.1,00,000 shall be allowed to 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 Rs. 101 per share the minimum lot size is 1200 Equity Shares thus minimum depth of the quote shall be Rs. 1,21,200 until the same, would be revised by NSE.
- ❖ 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.
- ❖ 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.
- ❖ 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.
- ❖ There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
- ❖ The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
- ❖ Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- ❖ 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.
- ❖ The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- ❖ There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- ❖ The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- ❖ The 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.
- ❖ 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.
- ❖ Risk containment measures and monitoring for Market Maker: NSE Emerge Platform 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.
- ❖ Punitive Action in case of default by Market Maker: NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
- ❖ Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to Rs.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.

- ❖ The following spread will be applicable on the NSE Emerge:

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

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

Issue Size	Buy quote exemption threshold (Including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (Including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%

₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

- ❖ 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.
- ❖ 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.
- ❖ 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.

#### **WITHDRAWAL OF THE OFFER**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time after the Offer Opening Date but before the Board meeting for 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 (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer.

The Book Running Lead Manager, through the Registrar to the Offer, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals from National Stock Exchange, which our Company shall apply for after Allotment. If our Company \ withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Red Herring Prospectus.

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Prospectus is set forth below:

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A.	<b>Authorized Share Capital</b>		
	1,00,00,000 Equity Shares having Face Value of Rs. 10/- each	1,000.00	-
	20,00,000 Preference Shares of face value of Rs. 100/- each	2,000.00	-
B.	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b>		
	63,30,000 Equity Shares having Face Value of Rs.10/- each	633.00	-
	20,00,000 Non-Convertible Redeemable Cumulative 0.01% Preference Shares of face value of Rs. 100/- each	2,000.00	-
C.	<b>Present Issue in terms of this Prospectus*</b>	227.64	2,299.16
	22,76,400 Equity Shares having Face Value of Rs. 10/-each at a Premium of Rs. 101 per share		
	<i>Which comprises of:</i>		
D.	<b>Reservation for Market Maker Portion</b>	11.52	116.35
	1,15,200 Equity Shares of Rs. 10/- each at a price of Rs. 101 per Equity Share reserved as Market Maker Portion		
E.	<b>Net Issue to Public</b>	216.12	2,182.81
	Net Issue to Public of 21,61,200 Equity Shares of Rs. 10/- each at a price of Rs. 101 per Equity Share to the Public		
	<i>Of which:</i>		
	i. 7,57,200 Equity Shares aggregating up to Rs. 764.77 lakhs will be available for allocation to Retail Individual Investors	82.20	764.77
	ii. 3,25,200 Equity Shares aggregating up to Rs. 328.45 lakhs will be available for allocation to Non-Institutional Investors	79.80	328.45
	iii. 10,78,800 Equity Shares aggregating up to Rs. 1,089.59 lakhs will be available for allocation to Qualified Institutional Buyers	54.12	1089.59
F.	<b>Issued, Subscribed and Paid up Equity Share Capital after the Issue**</b>		
	86,06,400 Equity Shares of face value of Rs. 10/- each	860.64	
G.	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)		Nil
	After the Issue		2,071.52

\* The present Issue has been authorized pursuant to a resolution of our Board dated November 10, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated November 11, 2022 under Section 62(1)(c) of the Companies Act, 2013.

The no. of shares in the Issue has been adjusted according to lot size of 1,200 Equity Shares.

\*\*Subject to finalization of Basis of Allotment.

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. History of change in authorized Equity Share capital of Our Company

- a) The Initial Authorized Equity Share Capital of Rs. 15,00,000 (Rupees Fifteen Lakh only) consisting of 1,50,000 (One Lakh Fifty Thousand) Equity shares of face value of Rs. 10/- each was increased to Rs. 3,15,00,000 (Rupees Three Crore Fifteen Lakh only) consisting of 31,50,000 (Thirty-One Lakh Fifty

Thousand) Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated January 10, 2022.

## 2. History of change in authorized Preference Share capital of Our Company

- Initial Authorized Preference Share Capital was created Rs.10,00,00,000 (Rupees Ten Crore only) consisting of 10,00,000 (Ten Lakh) 1% Non-Convertible Redeemable Cumulative Preference Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated November 01, 2021.
- The Authorized Preference Share Capital of Rs. 10,00,00,000 (Rupees Ten Crore only) consisting of 10,00,000 (Ten Lakh) 1% Non-Convertible Redeemable Cumulative Preference Shares of face value of Rs.100/- each was increased to Rs. 20,00,00,000 (Rupees Twenty Crore only) consisting of 20,00,000 (Twenty Lakh) 1% Non- Cumulative Redeemable Preference Shares of face value of Rs.100/- each pursuant to a resolution of the shareholders dated January 10, 2022.

**Note:** Dividend on Non-Convertible Redeemable Cumulative Preference Shares was changed from 1% to 0.01% vide resolution passed in the meeting of Preference Shareholders and Equity Shareholders dated March 25, 2022.

## 3. Equity Share Capital History:

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

Date of Allotment	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up Capital
On Incorporation	30,000	10	10	Subscription to MOA <sup>(1)</sup>	Cash	30,000	3,00,000
October 27, 2022	63,00,000	10	NA	Bonus (210:1) <sup>(2)</sup>	Consideration other than cash	63,00,000	6,33,00,000

- <sup>(1)</sup> Initial Subscribers to Memorandum of Association hold 30,000 Equity Shares of face value of Rs. 10/- each fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Neeraj Kumar Aggarwal	9,000
2.	Mr. Kanav Gupta	8,000
3.	Mrs. Shilpy Aggarwal	9,000
4.	Mrs. Deepali Aggarwal	1,000
5.	Ms. Riya Aggarwal	1,000
6.	Mr. Manoj Gupta	1,000
7.	Mrs. Anju Gupta	1,000
	<b>Total</b>	<b>30,000</b>

- <sup>(2)</sup> Further on October 27, 2022, Company has allotted 63,00,000 Equity Share as Bonus Share in the ratio 210:1 i.e. Two Hundred Ten Equity Share for every one fully paid-up share held by existing shareholder on record date as per details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Mr. Neeraj Kumar Aggarwal	18,90,000
2.	Mr. Kanav Gupta	16,80,000
3.	Mrs. Shilpy Aggarwal	18,90,000
4.	Mrs. Deepali Aggarwal	2,10,000
5.	Ms. Riya Aggarwal	2,10,000
6.	Mr. Manoj Gupta	2,10,000
7.	Mrs. Anju Gupta	2,10,000
	<b>Total</b>	<b>63,00,000</b>

#### 4. Preference Share Capital History:

Date of Allotment	No. of 0.01% Non-Convertible Redeemable Cumulative Preference Shares	Face Value	Application & Allotment	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares
December 04, 2021*	10,00,000	100	5	Private Placement	Cash	10,00,000
February 11, 2022**	10,00,000	100	8	Private Placement	Cash	20,00,000

\* 10,00,000 1% Non- Convertible Redeemable Cumulative Preference Shares of Rs 100/- each were approved by shareholder resolution dated November 01, 2021 and issued to Sunstar Realty Development Limited on receipt of application and allotment money of Rs. 5 per preference share. These preference shares were made fully paid on January 10, 2022.

\*\* 10,00,000 1% Non-Convertible Redeemable Cumulative Preference Shares of Rs 100/- each were approved by shareholder resolution dated January 10, 2022 and issued to MK Goenka Construction Private Limited on receipt of application and allotment money of Rs. 8 per preference share. These preference shares were made fully paid on October 14, 2022

Further, dividend on Non-Convertible Redeemable Cumulative Preference Shares was changed from 1% to 0.01% vide resolution passed in the meeting of Preference Shareholders and Equity Shareholders dated March 25, 2022.

#### 5. Except as mentioned below we have never issued Equity Shares for consideration other than cash –

Date of Allotment	Number of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Reason for Allotment	Allottees	Number of shares Allotted
October 27, 2022	63,00,000	10	Nil	Bonus Issue of Equity Shares in Ratio of 210 : 1	Mr. Neeraj Kumar Aggarwal	18,90,000
					Mr. Kanav Gupta	16,80,000
					Mrs. Shilpy Aggarwal	18,90,000
					Mrs. Deepali Aggarwal	2,10,000
					Ms. Riya Aggarwal	2,10,000

Date of Allotment	Number of Equity Shares	Face Value (in Rs)	Issue Price (in Rs)	Reason for Allotment	Allottees	Number of shares Allotted
					Mr. Manoj Gupta	2,10,000
					Mrs. Anju Gupta	2,10,000
					<b>Total</b>	<b>63,00,000</b>

6. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956 or under section 230-234 of the Companies Act, 2013.
7. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.
8. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves
9. Details of shareholding of promoters.

- **Mr. Neeraj Kumar Aggarwal**

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	No. of Shares Pledged	% of Shares Pledged
Incorporation	9000	10	10	Subscription to MOA	0.14	0.10	-	0.00
October 27, 2022	18,90,000	10	NA	Bonus Allotment	29.86	21.96	-	0.00
January 05, 2023	(1,68,300)*	10	10.50	Transfer	(2.66)	(1.95)	-	0.00
<b>Total</b>	<b>17,30,700</b>				<b>27.34</b>	<b>20.11</b>	-	<b>0.00</b>

\* Transfer of 1,68,300 shares to Mrs. Sangeeta Pareekh

- **Mr. Kanav Gupta**

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	No. of Shares Pledged	% of Shares Pledged
Incorporation	8,000	10	10	Subscription to MOA	0.12	0.09	-	0.00
October 27, 2022	16,80,000	10	NA	Bonus Allotment	26.54	19.52	-	0.00
January 09, 2023	(1,49,600)*	10	10.50	Transfer	(2.36)	(1.74)	-	0.00
<b>Total</b>	<b>15,38,400</b>				<b>24.30%</b>	<b>17.87</b>	-	<b>0.00</b>

\* Transfer of 1,40,250 shares to Securocrop Securities India Private Limited and 9,350 shares to Mrs Sangeeta Pareekh.

- **Ms. Shilpy Aggarwal**

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post-issue shareholding %	No. of Shares Pledged	% of Shares Pledged
Incorporation	9000	10	10	Subscription to MOA	0.14	0.10	-	0.00
October 27, 2022	18,90,000	10	NA	Bonus Allotment	29.86	21.96	-	0.00
January 09, 2023	(1,68,300)*	10	10.50	Transfer	(2.66)	(1.95)	-	0.00
<b>Total</b>	<b>17,30,700</b>				<b>27.34</b>	<b>20.11</b>	<b>-</b>	<b>0.00</b>

\* Transfer of 1,40,250 shares to Securocrop Business Re-Engineering Private Limited and 28,050 shares to Mrs Sangeeta Pareekh.

10. Our Promoter Group, Directors and their immediate relatives have purchased/sold Equity Shares of the Company during last 6 months.

11. Our Promoters have confirmed to the Company and the Book Running Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

12. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.

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

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Prospectus, our Promoters holds 49,99,800 Equity Shares constituting 58.09% of the Post Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoter's Contribution.

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

Date of allotment & Date when made fully paid up	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
<b>Mr. Neeraj Kumar Aggarwal</b>					
27 <sup>th</sup> October 2022	5,74,800	10/-	Consideration other than Cash	Allotment pursuant to Bonus Issue of Shares	6.68

Date of allotment & Date when made fully paid up	No. of Shares Allotted	Face Value	Issue Price	Nature of Allotment	% of Post Issue Capital
<b>Total</b>	<b>5,74,800</b>	<b>10/-</b>			<b>6.68</b>
<b>Mr. Kanav Gupta</b>					
27 <sup>th</sup> October 2022	5,74,800	10/-	Consideration other than Cash	Allotment pursuant to Bonus Issue of Shares	6.68
<b>Total</b>	<b>5,74,800</b>	<b>10/-</b>			<b>6.68</b>
<b>Mrs. Shilpy Aggarwal</b>					
27 <sup>th</sup> October 2022	5,73,600	10/-	Consideration other than Cash	Allotment pursuant to Bonus Issue of Shares	6.66
<b>Total</b>	<b>5,73,600</b>	<b>10/-</b>			<b>6.66</b>
<b>Grand Total</b>	<b>17,23,200</b>	<b>10/-</b>			<b>20.02</b>

The Equity Shares above that will be locked-in with the Depositories are not, and will not be, ineligible for computation of Promoter's 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 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 Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in this Issue 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.
- The Equity Shares in Promoter's Contribution does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

Specific written consent has been obtained from the Promoters for inclusion of 17,23,200 Equity Shares for ensuring lock-in of three years to the extent of minimum 20.02% of post issue Paid-up Equity Share Capital from the date of allotment in the public Issue.

***Equity Shares locked-in for one year other than Minimum Promoter's 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.

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

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

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

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

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

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

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

- a. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst our Promoters/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.
- b. Pursuant to Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI SAST Regulations as applicable.



14. Shareholding Pattern of our Company:

A. The table below represents the current shareholding pattern of our Company:

1. Summary of Shareholding Pattern

Category Code	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2)	Number of locked in Shares**		Number of Shares pledged or otherwise encumbered		Number of shares held in dematerialized form
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (B)	No. (a)	As a % of total shares held (B)	
								Class - (Equity)	Class - (Preference)	Total								
I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters and Promoter Group	7	57,69,000	-	-	57,69,000	91.14	57,69,000	-	57,69,000	91.14	-	91.14	57,69,000	100.00	-	-	100.00

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(B)	Public	3	5,61,000	-	-	5,61,000	8.86	5,61,000	-	5,61,000	8.86	-	8.86	5,61,000	100.00	-	-	100.00
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>63,30,000</b>	<b>-</b>	<b>-</b>	<b>63,30,000</b>	<b>100.00</b>	<b>63,30,000</b>	<b>-</b>	<b>63,30,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>63,30,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>100.00</b>

*\*As on the date of this Prospectus 1 Equity Share holds 1 vote. There is no voting right on the preference shares issued by our company.*

*\*\*Shall be locked-in on or before the date of allotment in this Issue.*

*\*\*\*We have completed the process of ISIN activation with both the depositories – NSDL and CDSL and 100% Equity Shares are in dematerialised form.*

## B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals).

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	<b>Promoters</b>				
1	Mr. Neeraj Kumar Aggarwal	17,30,700	27.34%	17,30,700	20.11%
2	Mr. Kanav Gupta	15,38,400	24.30%	15,38,400	17.87%
3	Mrs. Shilpy Aggarwal	17,30,700	27.34%	17,30,700	20.11%
	<b>Promoters Group</b>				
4	Mrs. Deepali Aggarwal	1,92,300	3.04%	1,92,300	2.23%
5	Ms. Riya Aggarwal	1,92,300	3.04%	1,92,300	2.23%
6	Mr. Manoj Gupta	1,92,300	3.04%	1,92,300	2.23%
7	Mrs. Anju Gupta	1,92,300	3.04%	1,92,300	2.23%
	<b>Total</b>	<b>57,69,000</b>	<b>91.14%</b>	<b>57,69,000</b>	<b>67.03%</b>

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

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Neeraj Kumar Aggarwal	17,30,700	0.05
Mr. Kanav Gupta	15,38,400	0.05
Mrs. Shilpy Aggarwal	17,30,700	0.05

15. The List of the Shareholders of the Company holding 1.00% or more of the paid up share capital.

- As on the date of this Prospectus

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Neeraj Kumar Aggarwal	17,30,700	27.34%
2.	Mr. Kanav Gupta	15,38,400	24.30%
3.	Mrs. Shilpy Aggarwal	17,30,700	27.34%
4.	Mrs. Deepali Aggarwal	1,92,300	3.04%
5.	Ms. Riya Aggarwal	1,92,300	3.04%

6.	Mr. Manoj Gupta	1,92,300	3.04%
7.	Mrs. Anju Gupta	1,92,300*	3.04%
8.	Mrs. Sangeeta Pareekh	2,80,500*	4.42%
9.	Securocrop Securities India Private Limited	1,40,250	2.22%
10.	Securocrop Business Re-Engineering Private Limited	1,40,250	2.22%
<b>Total</b>		<b>63,30,000</b>	<b>100.00%</b>

\*18,700 Equity Shares are under the process to be transferred from Mrs. Anju Gupta to Mrs. Sangeeta Pareekh.

- **Ten days prior to the date of this Prospectus.**

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Neeraj Kumar Aggarwal	18,99,000	30.00%
2.	Mr. Kanav Gupta	16,88,000	26.67%
3.	Mrs. Shilpy Aggarwal	18,99,000	30.00%
4.	Mrs. Deepali Aggarwal	2,11,000	3.33%
5.	Ms. Riya Aggarwal	2,11,000	3.33%
6.	Mr. Manoj Gupta	2,11,000	3.33%
7.	Mrs. Anju Gupta	2,11,000	3.33%
<b>Total</b>		<b>63,30,000</b>	<b>100.00%</b>

- **One year prior to the date of this Prospectus.**

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Neeraj Kumar Aggarwal	9,000	30.00%
2.	Mr. Kanav Gupta	8,000	26.68%
3.	Mrs. Shilpy Aggarwal	9,000	30.00%
4.	Mrs. Deepali Aggarwal	1,000	3.33%
5.	Ms. Riya Aggarwal	1,000	3.33%
6.	Mr. Manoj Gupta	1,000	3.33%
7.	Mrs. Anju Gupta	1,000	3.33%
<b>Total</b>		<b>30,000</b>	<b>100.00%</b>

- List of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to this Prospectus is not applicable as the status of our company was “Partnership firm” two years prior to the date of filing of this Prospectus. Our Company has been converted from LLP namely De Neers Tools LLP to Company with effect from July 26, 2021.

16. Equity Shares held by top ten shareholders.

- Our top ten shareholders and the number of Equity Shares held by them as on date of this Prospectus are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
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1.	Mr. Neeraj Kumar Aggarwal	17,30,700	27.34%
2.	Mr. Kanav Gupta	15,38,400	24.30%
3.	Mrs. Shilpy Aggarwal	17,30,700	27.34%
4.	Mrs. Deepali Aggarwal	1,92,300	3.04%
5.	Ms. Riya Aggarwal	1,92,300	3.04%
6.	Mr. Manoj Gupta	1,92,300	3.04%
7.	Mrs. Anju Gupta	1,92,300*	3.04%
8.	Mrs. Sangeeta Pareekh	2,80,500*	4.42%
9.	Securocrop Securities India Private Limited	1,40,250	2.22%
10.	Securocrop Business Re-Engineering Private Limited	1,40,250	2.22%
<b>Total</b>		<b>63,30,000</b>	<b>100.00%</b>

\*18,700 Equity Shares are under the process to be transferred from Mrs. Anju Gupta to Mrs. Sangeeta Pareekh.

- Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of this Prospectus are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Neeraj Kumar Aggarwal	18,99,000	30.00%
2.	Mr. Kanav Gupta	16,88,000	26.67%
3.	Mrs. Shilpy Aggarwal	18,99,000	30.00%
4.	Mrs. Deepali Aggarwal	2,11,000	3.33%
5.	Ms. Riya Aggarwal	2,11,000	3.33%
6.	Mr. Manoj Gupta	2,11,000	3.33%
7.	Mrs. Anju Gupta	2,11,000	3.33%
<b>Total</b>		<b>63,30,000</b>	<b>100.00%</b>

- List of top ten Shareholders of our Company as of two year prior to the date of this Prospectus is not applicable as the status of our company was “Limited Liability Partnership (LLP)” two year prior to the date of filing of this Prospectus. Our Company has been converted from LLP namely De Neers Tools LLP to Company with effect from July 26, 2021.

17.No subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Red Herring Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company other than set below.

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre Issued Capital
1.	Mr. Neeraj Kumar Aggarwal	(1,68,300)	2.65%
2.	Mr. Kanav Gupta	(1,49,600)	2.36%
3.	Mrs. Shilpy Aggarwal	(1,68,300)	2.65%
4.	Mrs. Deepali Aggarwal	(18,700)	0.30%
5.	Ms. Riya Aggarwal	(18,700)	0.30%
6.	Mr. Manoj Gupta	(18,700)	0.30%

7.	Mrs. Anju Gupta	(18,700)	0.30%
<b>Total</b>		<b>(5,61,000)</b>	<b>8.86%</b>

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

Name	Designation	No. of Equity Shares Held
Mr. Neeraj Kumar Aggarwal	Managing Director	17,30,700
Mr. Kanav Gupta	Chief Financial Officer and Whole Time Director	15,38,400
Ms. Shilpy Aggarwal	Whole Time Director	17,30,700

19. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/ Promoters/ Directors/ Book Running Lead Manager for purchase of Equity Shares offered through this Prospectus.
20. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
21. Except, as otherwise disclosed in the chapter titled "*Objects of the Issue*" beginning on page 63, we have not raised any bridge loans against the proceeds of the Issue.
22. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "*Basis of Allotment*" beginning on page 198.
23. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no allotment shall be made.
24. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Prospectus except as disclosed in this chapter.
25. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
26. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and National Stock Exchange of India Limited.
27. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10.00% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10.00% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20.00% of the post issue paid-up capital is locked-in.
28. The Issue is being made through Book Building Method.
29. As on date of filing of this Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.
30. On the date of filing this Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
31. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.

32. Book Running Lead Managers to the Issue viz. Khambatta Securities Limited, Share India Capital Services Private Limited and their associates do not hold any Equity Shares of our company.
33. Our Company has not revalued its assets since incorporation.
34. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
35. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
36. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
37. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Prospectus with Stock Exchange until the Equity Shares to be issued pursuant to the Issue have been listed.
38. Except as disclosed in the Red Herring Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
39. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
40. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
41. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.
42. Except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.
43. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
44. Our Company has Ten (10) shareholders as on the date of filing of this Prospectus.
45. As per RBI regulations, OCBs are not allowed to participate in this Issue.
46. There are no safety net arrangements for this Public Issue.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to 22,76,400 Equity Shares of our Company at an Issue Price of Rs. 101 per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. To meet the working capital requirements of the Company;
  2. General Corporate Purpose; and
  3. To meet the Issue Expenses
- (Collectively referred as the “**Objects**”)

Our Company believes that listing will enhance our Company’s corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum of Association enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object’s clause of our Memorandum.

### NET PROCEEDS

The details of the Net Proceeds are set forth below:

Sr. No.	Particulars	Amount in Lakhs
1	Gross Proceeds of the Issue	2,249.16
2	Issue related expenses <sup>(1)</sup>	50.00
	<b>Net Proceeds</b>	<b>2,299.16</b>

### FUND REQUIREMENTS

The fund requirement and deployment is based on internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank or financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

(Rs. In lakhs)

Sr. No.	Particulars	Amount in Lakhs
1	Working Capital Requirement including margin money	1800.00
2	General Corporate Purpose <sup>(1)</sup>	449.16
3	Issue Expenses	50.00
	<b>Total</b>	<b>2,299.16</b>

*The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

**The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. 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 from the proposed Issue.**

**The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.**

In case of variations in the actual utilization of funds allocated 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 this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

**We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall, we intend to meet our estimated requirement from internal accruals and/or debt. In case of any such re-schedulement, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.**

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “*Risk Factors*” beginning on page 23.

## DETAILS OF UTILIZATION OF ISSUE PROCEEDS

### 1. To meet working capital requirements including margin money

Our Business is working capital intensive and we avail our working capital in the ordinary course of our business from HDFC Bank Limited as on October 31, 2022, our Company’s working capital facility consisted of an aggregate fund-based limit of Rs. 1941.00 Lakhs. For further details of the working capital facilities currently availed by us, please refer the section “*Financial Indebtedness*” on page 135.

As on March 31, 2021 and March 31, 2022 the Company’s net working capital consisted of Rs. 2,314.53 Lakhs and Rs. 5,681.60 Lakhs respectively. The total working capital requirement for the year 2022-23 and the year 2023-24 is estimated to be Rs. 9,691.95 and Rs. 10,365.90 Lakhs respectively. The incremental working capital requirement will be met through the Net Proceeds and the balance portion of working capital requirement will be met through Net Worth / Internal Accruals/ Borrowings.

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

The details of our Company’s expected working capital requirements on the basis of restated financials and funding of the same are as set out in the table below:

(Rs. in Lakhs)

Statement of Working Capital Requirements						
	2019-20	2020-21	2021-22	Oct 31, 2022*	2022-23	2023-24
	(Audited)	(Audited)	(Audited)	(Audited)	(Estimated)	(Estimated)
<b>Current Assets</b>						
Cash & Cash Equivalents	35.04	73.20	126.50	8.28	121.16	115.71
Trade Receivables	4010.3	2,989.90	3,473.58	4,490.63	4,868.43	5,747.46
Inventories	1329.19	2,675.21	5,394.30	6,585.70	6,282.79	6,838.09
Other Current Assets	147.34	290.00	728.11	1,241.13	985.80	796.48
<b>Total (A)</b>	<b>5521.87</b>	<b>6,028.31</b>	<b>9,722.49</b>	<b>12,325.74</b>	<b>12,258.19</b>	<b>13,497.74</b>
<b>Current Liabilities</b>						
Trade Payables	3471.34	3,575.56	3,555.14	4,464.51	2,044.74	2,586.35
Other Current Liabilities	22.17	100.65	279.64	420.63	340.69	357.00
Statutory Liabilities	10.24	9.08	8.46	110.22	15.00	22.00
Short Term Provisions	18.77	28.49	197.65	155.23	165.80	166.48
<b>Total (B)</b>	<b>3522.52</b>	<b>3,713.78</b>	<b>4,040.89</b>	<b>5,150.59</b>	<b>2,566.23</b>	<b>3,131.84</b>
<b>Net Working Capital (A)-(B)</b>	<b>1,999.35</b>	<b>2,314.53</b>	<b>5,681.60</b>	<b>7,175.15</b>	<b>9,691.95</b>	<b>10,365.90</b>
<b>Sources of Working Capital</b>						
Fund Based Borrowings	869.34	929.24	1,070.54	1,953.49	1,941.00	1,941.00
IPO Proceeds	-	-	-	-	**	1,800.00

Internal Sources/Share Capital	1,130.01	1,385.29	4,611.06	5,221.66	7,750.95	6624.90
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\*Figures not annualised.

\*\*Since the Offer will be opening in FY 2023-24, the IPO proceeds for Working Capital cannot be utilized in FY 2022-23.

### BASIS OF ESTIMATION FOR WORKING CAPITAL REQUIREMENTS

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in FY 2022-23 and FY 2023-24 considering the growth in activities of our Company and in line with norms generally accepted by banker(s).

In the previous two financial years i.e. FY 2020-21 and FY 2021-22 the working capital has jumped mainly due to the increase in inventory. Our inventory has increased from ₹ 2675.21 Lakhs in FY 2020-21 to ₹ 5394.30 Lakhs in FY 2021-22 whereas the creditors have marginally decreased from ₹ 3575.56 Lakhs in FY 2020-21 to ₹ 3555.14 Lakhs in FY 2021-22 as we are making timely payments to the suppliers. Also, the receivables have also increased in the same period by over 16%.

In our business, we have to maintain high inventory to cater the demand. Further, we have to abide by the MOQ (Minimum Order Quantity) to every SKU (Stock Keeping Unit) that we maintain at our warehouses. These MOQs are generally fixed by the suppliers.

Lastly, prior to conversion into a limited company, De Neers Tools LLP took over the business of ‘M/s Deewan Chand Madanlal & Sons’, a partnership firm, on going concern basis in FY 2021-22. This has further increased our SKUs and impacted our holding periods.”

Note for justification for increase in estimated working capital requirements of the Company for the FY22-23 and FY23-24:-

We plan to increase our SKUs from 3200 currently to 3400 by adding 200 more SKUs. These will lead to higher levels of inventory. The higher level of SKUs will enable us to cater to the rising demand that we expect in the coming periods. In the past we have been allowing higher credit periods to our dealers in order to increase our brand outreach on pan India basis. We intent to keep this trend in the current and next financial year as well. Further, we plan to reduce our creditor period almost by half of previous trend i.e. to 90 days only to help us maintain our credibility in the market.

This increasing gap in our current assets and current liabilities in the current FY and also expected in next FY will lead to increase in working capital for which we wish to utilise proceeds from the IPO.

### Holding Levels

(In no. of days)

Particulars	2019-20*	2020-21	2021-22	As at October 31, 2022 <sup>#</sup>	2022-23(E)	2023-24(E)
Inventory	89	131	227	321	288	241
Receivables	156	206	149	259	180	170
Payables	257	186	141	239	90	90

\*The holding levels of FY 2019-20 and as at October 31, 2022 was not available in DRHP.

<sup>#</sup>Not annualised.

### Justification for assumed “Holding Period” levels -

<b>Inventories</b>	We need to keep high level of inventory because we buy tools inscribed by our brand in large quantities. The minimum order that we can buy is usually high. The higher the SKUs the higher the inventory.
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<b>Trade receivables</b>	To increase our brand outreach we offer long credit periods to large distributors. It also help us lower our inventory maintenance cost.
<b>Trade Payables</b>	Our Company has assumed credit period of 90 days as we are planning to lower our credit period to increase our credibility in the market.

Note: We believe our holding periods are within the industry standards.

## 2. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy Rs. 449.16 Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

1. Strategic initiatives;
2. Brand building and strengthening of marketing activities and Products of the Our Company; and
3. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

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

## 3. ISSUE EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, statutory advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 50.00 Lakhs.

(Rs. in Lakhs)

Expenses	Expenses (Rs. in Lakhs)	Expenses (% of total Issue expenses)	Expenses (% of Issue size)
Payment to Merchant Banker including expenses towards printing and payment to other intermediaries such as Registrar, Market Maker, etc. Marketing Expenses, Underwriting Commission and Other Expenses	40.00	80.00	1.74
Statutory Expenses	10.00	20.00	0.43
<b>Total estimated Issue expenses</b>	<b>50.00</b>	<b>100.00</b>	<b>2.17</b>

## DEPLOYMENT OF FUNDS

As estimated by our management, the entire proceeds from the Issue shall be utilized as follows:

(Rs. in Lakhs)

Particulars	Total Deployment	Amount incurred till March 20, 2023	Deployment during FY 2022-23**	Deployment during FY 2023-24**
Working capital requirements including margin money	1800.00	-	-***	1800.00
General Corporate Purpose	449.16	-	-***	449.16
Issue Expenses*	50.00	26.67	0.50	22.83

<b>Total</b>	<b>2299.16</b>	<b>26.67</b>	<b>0.50</b>	<b>2271.99</b>
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*\*As on March 20, 2023, our Company has incurred a sum of Rs. 26.67 Lakhs towards issue expenses as per the certificate dated March 22, 2023 bearing UDIN No. 23095938BGXCOJ7970 issued by Gautam Sehgal & Co., Chartered Accountants, Statutory Auditors.*

*\*\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of issue proceeds may be interchangeable. However, the use of issue proceeds for general corporate purpose shall not exceed 25% at any point of time.*

*\*\*\*Since the Offer will be opening in FY 2023-24, the IPO proceeds for Working Capital cannot be utilized in FY 2022-23.*

#### **INTERIM USE OF PROCEEDS**

Pending utilization for the purposes described above, we intend to deposit the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertakes that full recovery of the said deposit shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the issue.

#### **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities.

#### **MONITORING UTILIZATION OF FUNDS**

Since the proceeds from the Fresh Issue do not exceed Rs. 10,000.00 Lakhs, in terms of Regulation 262 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters 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.

#### **APPRAISAL BY APPRAISING AGENCY**

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate



structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

#### **OTHER CONFIRMATIONS**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's key Managerial personnel and group entities, in relation to the utilization of the Net Proceeds. No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or company promoted by the Promoters, except as may be required in the usual course of business.

## BASIS FOR ISSUE PRICE

The Price of Rs. 101 per Equity Share is determined by our Company, in consultation with the Book Running Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10.00/- per Equity Share and Issue Price is Rs. 101/- per Equity Share. The Issue Price is 10.10 times the face value of Issue Price.

The below mentioned ratios may not present the true picture of our business in the past years because our company was incorporated on July 26, 2021. Before this date, our business was managed as per the laws applicable to a Limited Liability Partnership. Further, the Partner's Capital which is used to compute the ratios was fluctuating throughout the period of Limited Liability Partnership.

For the purpose of making an informed investment decision, the investors should also refer "*Risk Factors*", "*Our Business*" and "*Restated Financial Statement*" beginning on page 23, 92 and 134 respectively. The trading price of the equity shares of our company could decline due to risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computation of the Issue Price are:

- ✓ Experienced management and efficient workforce.
- ✓ Scalable business.
- ✓ Decades of presence of promoters in the industry
- ✓ Optimum quality of products.
- ✓ Focus on quality and gaining customer satisfaction.
- ✓ Strong marketing.
- ✓ Evolving with technological changes.
- ✓ Networking strength.
- ✓ Well established relationships with Banks and Financial Institutions.

For further details, refer to the chapter titled "*Our Business*" on page 92.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the Restated Financial Statements of the Company for the financial year ended on March 31, 2022, 2021, and 2020 prepared in accordance with Indian GAAP, the Companies Act and SEBI ICDR Regulations. For details, refer Chapter titled "*Restated Financial Statements*" beginning on page 134. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per share (EPS) as per Accounting Standard 20:

Year Ended	Basic & Diluted EPS (Rs.)	Weights
March 31, 2020	0.69	1
March 31, 2021	1.04	2
March 31, 2022	7.97	3
<b>Weighted Average</b>	<b>5.61</b>	
<b>Seven months ended October 31, 2022</b>	<b>6.11</b>	

#### Notes:

- 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 weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The figures disclosed above are based on the Restated Summary Financial Information of our Company.
- The face value of each Equity Share is Rs.10/- each.

- Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS – 20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.
- Basic Earnings per share = Net profit after tax, as restated attributable to equity shareholders/Weighted average number of shares outstanding during the year.
- Diluted Earnings per share = Net profit after tax, as restated/Weighted average number of potential equity shares outstanding during the year.
- Weighted average EPS = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal year] / [Total of weights].

**2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 101 per Equity Share of Rs. 10/- each fully paid up:**

Particulars	P/E ratio at Issue Price
P/E ratio based on Basic and diluted EPS as at March 31, 2022	12.80
P/E ratio based on Weighted Average Basic and diluted EPS	18.00
<b>Industry PE*</b>	
<b>Highest</b>	0.05
<b>Lowest</b>	0.05
<b>Average</b>	0.05

Note-The highest and lowest industry P/E has been considered from the industry peer set provided later in this chapter. The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, please refer to the chapter titled “Restated Financial Statements” beginning on page no. 134.

**3. Return on Net Worth (RoNW):**

Return on Net Worth as per Restated Financial Statements is as under:

Year Ended	RoNW (%)	Weight
March 31, 2020	6.24	1
March 31, 2021	20.53	2
March 31, 2022	21.17	3
<b>Weighted Average</b>		18.47
<b>Seven months ended October 31, 2022</b>		12.71

Notes:

- The RONW has been computed by dividing net profit after tax (excluding exceptional income, if any) as restated by net worth (excluding revaluation reserve, if any) as restated as at year end.
- Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW x Weight) for each fiscal year] / [Total of weights].

**4. Net Asset Value (NAV) per share of Face Value of Rs 10/- each:**

As per Restated Financial Statement

Particulars	Amount in Rs.
Net Asset Value per Equity Share as of March 31, 2020	11.13
Net Asset Value per Equity Share as of March 31, 2021	5.06
Net Asset Value per Equity Share as of March 31, 2022	37.63
Net Asset Value per Equity Share after Issue	38.85
Issue Price	101

Notes:

- Issue Price per Equity Share will be determined after consultation with the Book Running Lead Manager.
- Net Asset Value per Equity Share = Restated net worth, attributable to equity holders of the Company at the end of the year / Number of equity shares outstanding as at the end of year.
- Net worth is aggregate value of the paid-up share capital of the Company and Reserve and Surplus (excluding revaluation reserves, if any) and attributable to equity holders of the Company, if any, as per Restated Financial Information.

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

Companies	EPS (Basic) (Rs.)	EPS (Diluted) (Rs.)	PE Ratio		RONW (%)	NAV	Face Value	Total Income (Rs. in Lakhs)
			At Floor Price	At Cap Price				
De Neers Tools Limited	7.97	7.97	12.04	12.80	21.17%	37.63	10	8,000.68
<b>Listed Peers</b>								
Taparia Tools Limited*	214.41	214.41	0.05		27.59%	783.20	10	66,949.85

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2022 submitted to stock exchanges or on company's website as available. Financial information of our company is as of the year ended March 31, 2022.

\* As per the audited financials of Taparia Tools Limited for period ended March 31, 2021 and March 31, 2022 the revenue from manufactured products is less than one-fourth of the total revenue. Hence, Taparia Tools is the nearest and the only listed peer.

#### Notes:

- Basic EPS refers to the Basic EPS sourced from the annual report/ financial results of the respective company for the year ended March 31, 2022
- Diluted EPS refers to the Diluted EPS sourced from the annual report/ financial results of the respective company for the year ended March 31, 2022
- P/E Ratio has been computed based on the closing market price of equity shares on NSE on December 09, 2022.
- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end. March 31, 2022
- Net worth has been computed as sum of share capital, reserves and surplus (excluding Revaluation Reserves, if any) and as attributable to the owners of the Company
- Net Asset Value is computed as the closing net worth divided by the equity shares outstanding as at March 31, 2022

#### 6. The Issue Price is 10.10 times of the face value of the Equity Shares.

The Issue Price of Rs. 101 per equity share has been determined by the Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Financial Statements" beginning on pages 23, 92, 137 and 134, respectively, to have a more informed view.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
**The Board of Directors**  
**De Neers Tools Limited**  
PNo. 468, Ground Floor, Industrial Area  
Patparganj, Delhi East Delhi-110092 India

Dear Sir,

**Subject - Statement of Possible Tax Benefits (“the statement”) available to De Neers Tools 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 De Neers Tools Limited**

We hereby confirm that the enclosed Annexure, prepared **De Neers Tools 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 2021, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (‘GST Act’), as amended by the Finance Act 2021, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, 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.

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

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

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

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

### **Limitations:**

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

This statement has been prepared solely in connection with the Proposed Offer by the Company under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.



**For Gautam Sehgal & Co.**  
**Chartered Accountants**  
**FRN: 015736N**

Sd/-  
**Gautam Sehgal**  
**Partner**  
**M. No.: 095938**  
**UDIN: 22095938BFSHYO2218**

Place: New Delhi  
Date: 22/11/2022

## ANNEXURE TO THE STATEMENT OF POSSIBLE 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 Income Tax Act, 1961 and GST Act.

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

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

#### **Note:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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 Red Herring Prospectus/Prospectus.

**For Gautam Sehgal & Co.**  
**Chartered Accountants**  
**FRN: 015736N**

Sd/-  
**Gautam Sehgal**  
**Partner**  
**M. No.: 095938**  
**UDIN: 22095938BFSHYO2218**

Place: New Delhi  
Date: 22/11/2022

## SECTION VI – ABOUT THE COMPANY

### OUR INDUSTRY

Unless otherwise indicated, the information in this section is obtained or extracted from the independent report titled “Industry Research Report on Hand Tools Industry in India” dated January 2022, prepared and released by CARE Advisory Research & Training Ltd (“CareEdge Research”) and commissioned and paid for by our Company. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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, projections, forecasts and assumptions that may prove to be incorrect.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing its report, CareEdge Research has also sourced information from publicly available sources, including our Company's financial information available publicly. However, financial information relating to our Company presented in other sections of this Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Prospectus. This Report is available for inspection on the website of our Company at [www.deneerstools.com](http://www.deneerstools.com).

#### 1. Economic Outlook

##### 1.1 Global Economy

As per the latest International Monetary Fund’s (IMF) World Economic Outlook growth projections released in January 2022, the world economy contracted by 3.1% in CY20<sup>1</sup> owing to the global outbreak of Covid-19. In the CY21 and CY22 the Global growth is expected to grow at 5.9% and 4.4% respectively. There is half a percentage point downgrade for the CY22 compared to the outlook released in October 2021. This is largely reflecting forecast markdowns in the two largest economies – United States and China.

IMF has recognized in its latest economic outlook report that the global outlook for upcoming times will depend critically on the path of pandemic, tightening of accommodative policy in the United States, ease in supply chain disruption, labor market, inflation, intensity of China’s real estate slowdown and other factors such as geopolitical tension among the countries.

**Table 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)**

Country/Group	2020	2021E	2022P
World Output	-3.1	5.9	4.4
Advanced Economies	-4.5	5.0	3.9
United States	-3.4	5.6	4.0
Euro Area	-6.4	5.2	3.9
Japan	-4.5	1.6	3.3
United Kingdom	-9.4	7.2	4.7
Canada	-5.2	4.7	4.1
Remaining Advances Economies	-1.9	4.7	3.6
Emerging Market & Developing Economies	-2.0	6.5	4.8
Emerging and Developing Asia	-0.9	7.2	5.9
China	2.3	8.1	4.8

India*	-7.3	9.0	9.0
ASEAN**	-3.4	3.1	5.6
Emerging and Developing Europe	-1.8	6.5	3.5
Latin America and the Caribbean	-6.9	6.8	2.4
Middle East and Central Asia	-2.8	4.2	4.3
Sub-Saharan Africa	-1.7	4.0	3.7

Notes: E-Estimation, P-Projection

\*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

\*\*Includes Indonesia, Malaysia, Philippines, Thailand and Vietnam

Source: IMF – World Economic Outlook, January-2022

With the ongoing geopolitical tension between Russia-Ukraine, the economic consequences are anticipated to be serious in near to medium term. Surge in Energy and commodity prices have added pressure to the existing global inflation. In Asia, the biggest impact is expected to be felt among oil importers of Association of Southeast Asian Nations (ASEAN) economies, India and frontier economies including some Pacific Islands. The other impact is likely to be seen in the neighboring economies due to disrupted trade and supply chains. Further, the reduced business confidence and higher investor uncertainty will weigh on asset prices, tightening financial conditions and potentially spurring capital outflows from emerging markets. Due to these factors, the growth forecasts is likely to be revised down in the upcoming outlook by IMF.

#### Advanced economies group

After a negative growth of 4.5% in CY20, advanced economies group is projected to grow by 5.0% in CY21 and 3.9% in CY22 which is revised down from its forecast of 5.2% and 4.9% made in October 2021 for the respective years. This is largely due to downgrade made for United States. In the United States, the downgrade reflects lower prospects of legislating the Build Back Better fiscal package, an earlier withdrawal of extraordinary monetary accommodation, and continued supply disruptions.

While, for United Kingdom, due to the disruptions related to Omicron and supply constraints (particularly in labor and energy markets) the growth is revised down by 0.3% and pegged at 4.7% in CY22.

#### Emerging market and developing economies group

After contracting by -2.0% in CY20, the emerging market and developing economies group is estimated to grow by 6.5% in CY21. While, in CY22 the estimated growth is 4.8% which is 0.3% lower than the previous estimation made in October, 2021. The CY22 downgrade reflects revisions among a few large emerging markets – like China. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8% downgrade for CY22.

The estimates for India has been downgraded to 9.0% in CY21 by half-a-point, while for CY22 the estimates have been upgraded by half-a-point to 9.0% comparing with previous outlook. These estimates project India as the fastest growing major economy in the world.

#### Impact of Covid-19 on Global Economy

During the Pandemic in CY20, the global economy faced disruption in supply chain due to temporary trade restrictions and shortages of pharmaceuticals, critical medical supplies, and other products. As a consequence of all this, manufacturers worldwide are under greater political and competitive pressures to increase their domestic production, grow employment in their home countries, reduce or even eliminate their dependence on sources.

The diffusion of vaccines—although still uneven—has played a major role, with over 55 percent of people having received at least one dose. Yet the emergence of the Omicron variant in late November threatens to set back the tentative path to recovery.

The emergence of new Covid-19 variants could prolong the pandemic and induce renewed economic disruptions. To address many of the difficulties faced by the world economy, it is vital to break the hold of the pandemic. This will require a global effort to ensure widespread vaccination, testing, and access to therapeutics, including the newly developed anti-viral medications.

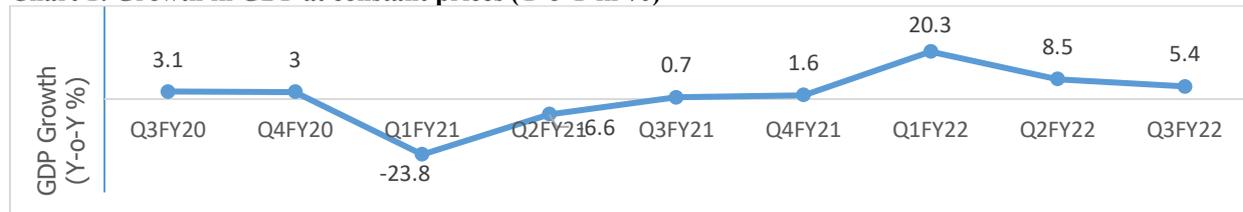
## 1.2 Indian Economy

### 1.2.1 GDP growth and Outlook

FY22<sup>2</sup> started with the country being hit by the second wave of the pandemic which saw lockdowns and restrictions being re-imposed across states for 2 - 3 months. This impeded economic output in Q1FY21 and led to a year-on-year (Y-o-Y) decline of 23.8% in GDP. The Indian economy bounced back strongly in Q1FY22 with 20.3% Y-o-Y growth due to low base. The easing of lockdowns and restrictions across states since June coupled with the decline in Covid-19 cases and higher vaccination rate facilitated higher economic activity at a faster than expected clip and this was reflected in the GDP for the Q2FY22 which grew annually by 8.5%.

When compared with the pre-pandemic period i.e., Q3FY20, the GDP in Q3FY22 is higher by 6.2%.

**Chart 1: Growth in GDP at constant prices (Y-o-Y in %)**



Source: Ministry of Statistics and Programme Implementation (MOSPI)

As per Reserve Bank of India's (RBI) sixth bi-monthly monetary policy for 2021-22, the RBI highlighted that the impact of the ongoing third wave of the pandemic on the recovery is likely to be limited relative to the earlier waves, the outlook for contact-intensive services and urban demand is also expected to be improved. RBI also brought out, that the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects.

The pick-up in non-food bank credit, supportive monetary and liquidity conditions, sustained buoyancy in merchandise exports, improving capacity utilization and stable business outlook augur well for aggregate demand. Global financial market volatility, elevated international commodity prices, especially crude oil, and continuing global supply-side disruptions pose downside risks to the outlook. Taking all these factors into consideration, the real GDP growth for 2022-23 is projected at 7.8% by RBI.

**Table 2 : RBI's GDP Growth Outlook as on February'22 (Y-o-Y %)**

	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23
GDP Growth	9.5	17.2	7.8	4.3	4.5	7.8

Source: RBI press release dated February 28, 2022

### 1.2.2 Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

- There has been a broad-based year-on-year growth across all the sectors in Q3FY22 driven by the low base of year ago.
- When compared with the pre-pandemic period i.e., Q3FY20, the output of the service sector viz., trade, hotel, transport & communication and finance, real estate & professional services have been lower
  - Industry (29% of GVA) as well as the services (52% of GVA) sector were the drivers of economic output during the quarter.
  - The industrial sector grew only by 0.2% on an annual basis in Q3FY22. Mining & quarrying followed by Electricity, gas, water supply & other utility services were the driver for growth in industry.
  - The contraction in the agriculture sector is reflective of the impact the unfavorable weather conditions prevalent during the quarter that led to loss of output.

- The service sector output in the Q3FY22 was 2.4% lower than Q2FY22 and 8.2% more than a year ago. The easing of restriction has led to a fast rebound in this sector. The output of the sector has surpassed the pre-pandemic levels.

**Table 3 : Sectoral Growth (Y-o-Y % Growth) for third quarter - at Constant Prices**

At Constant Prices	Q3FY20	Q3FY21	Q3FY22	Q3FY22 v/s Q3FY20
<b>Agriculture, forestry &amp; fishing</b>	<b>4.9</b>	<b>4.1</b>	<b>2.6</b>	<b>6.8</b>
<b>Industry</b>	<b>-2.7</b>	<b>6.3</b>	<b>0.2</b>	<b>6.5</b>
Mining & quarrying	-3.5	-5.3	8.8	3.1
Manufacturing	-3.3	8.4	0.2	8.6
Electricity, gas, water supply & other utility services	-3.1	1.5	3.7	5.2
Construction	-1.1	6.6	-2.8	3.6
<b>Services</b>	<b>6.1</b>	<b>-0.9</b>	<b>8.2</b>	<b>7.2</b>
Trade, hotels, transport, communication & broadcasting	6.6	-10.1	6.1	-4.6
Financial, real estate & professional services	4.8	10.3	4.6	15.3
Public administration, defence and other services	6.9	-2.9	16.8	13.4
<b>GVA at Basic Price</b>	<b>3.2</b>	<b>2.1</b>	<b>4.7</b>	<b>6.9</b>

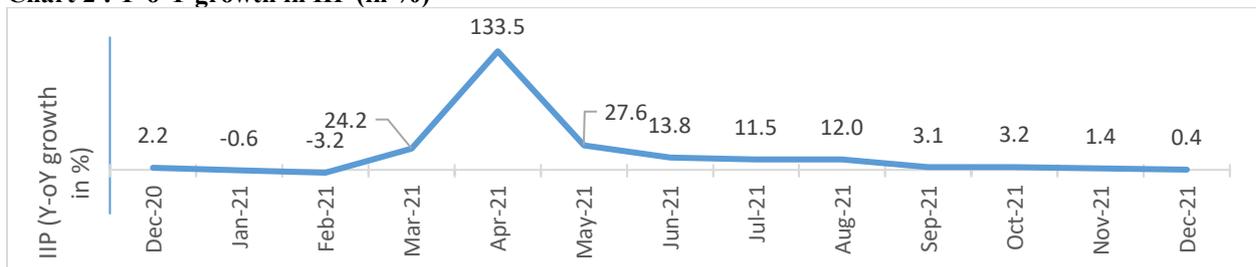
Source: MOSPI

### 1.2.3 Industrial Growth

Growth in industrial output weakened even further to a 10-month low of 0.4% of December'21 from 1.4% in the previous month. A broad-based weakening in momentum across segments, negative growth in manufacturing, capital goods, consumer goods segment and a relatively high base of last year (2.2% growth in December'20) have contributed to the disappointing industrial performance.

During the first nine months of FY22, the index of industrial production stood at 128.7, higher by 15.2% in comparison with the corresponding period of FY21. However, the index lagged by 0.2% when compared with the pre-pandemic period (April-December period of FY20).

**Chart 2 : Y-o-Y growth in IIP (in %)**



Source: MOSPI, XXX Ratings Economics Research report

### 1.2.4 Concluding Remarks

As per Reserve Bank of India's (RBI) sixth bi-monthly monetary policy for 2021-22, the RBI highlighted that the impact of the ongoing third wave of the pandemic on the recovery is likely to be limited relative to the earlier waves, the outlook for contact-intensive services and urban demand is also expected to be improved. RBI also brought out, that the announcements in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure are expected to augment growth and crowd in private investment through large multiplier effects.

The Reserve Bank of India (RBI) at its sixth bi-monthly monetary policy meeting for FY22 concluded on 10th February 2022, maintained the repo rate unchanged at 4% and continued with its accommodative policy stance. RBI reiterated its emphasis on growth and economic revival.

The central bank’s focus on supporting economic growth prevailed at the just announced policy review, as in its assessment even though economic recovery is gaining traction it is not yet strong enough to be self-sustaining and durable. It has reiterated that the accommodative monetary policy stance would be maintained for as long as necessary for reviving and sustaining economic growth. At the same time the RBI continues to move towards gradual normalization of policy support. It did not announce any fresh liquidity infusion measures and indicated that it would keep rebalancing and fine-tuning the liquidity surplus in the banking system.

The recent geopolitical tensions between Russia and Ukraine has contributed to spike in crude oil and other commodity prices. India depends majorly on imports to meet up its crude oil needs. The surge in international oil prices and commodity prices is likely to result into broader price pressure. The impact on India’s economy is likely to be felt through higher cost-push inflation and widening current account deficit apart from weakening private consumption. However, the overall economic outlook for fiscal 2023 will be supported by the continued infrastructure led spending by the central government. Continued high commodity prices and any disruption in economic activity due to increased infection rates will be key monitorables.

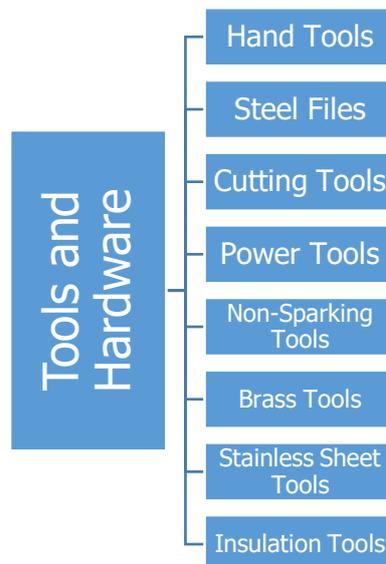
## 2 Overview of Tools and Hardware Industry

The tools and hardware industry comprises of tools that are used by both households for daily activities and by manufacturing industries. Tools are extensively used in the manufacturing sector of an economy. The more sophisticated the tools, the better their performance in the production of high-quality precision machinery used in every industrial activity. The tools and hardware industry churns out basic machinery for all major industries and determines competitiveness in other sectors such as defense, heavy electricals, construction and automobiles.

The DIY segment has also increased the demand of hand tools. Due to the increase in labor costs more users are inclined to DIY culture, increasing the demand for household hand tools, and more and more consumers are adopting self-service methods for assembly and maintenance at home.

Given the importance of the industry, the Government of India has initiated several measures to boost the industry by upgrading technology and supporting technological collaborations for the production of high-end tools.

The major segments of tools and hardware industry are hand tools, steel files, cutting tools, power tools, non-sparking tools, brass tools & stainless sheet tools and insulation tools



- **Hand Tools**

Hand tools are manually operated tools and are not powered by electricity. Cutters, clamps, files, knives, saws, screwdrivers, snips, vises and wrenches are some of the common hand tools.

The hand tools market is divided into two segments i.e. unorganized and organized. The manufacturers of the unorganized segment make up for 80% of the domestic sales. The clusters for hand tool are located in Jalandhar and Ludhiana in Punjab, Nagaur in Rajasthan, Mumbai, Nagpur and Purulia in West Bengal.

The key players in the hand tools market are Taparia Tools and De Neers Tools Ltd. The major steel file manufacturers in India are JK Files & Engineering Ltd, Mittal Files and Tools Pvt. Ltd., Stanley Black & Decker India Private Ltd, Taparia Tools Ltd etc.

- **Steel Files**

Steels files are tools used to remove fine amounts of material from a work piece. The usage of steel files majorly happens in the following sectors- agriculture, automotive, construction and defense.

India has a strong manufacturing base with most players operating standalone manufacturing plants. The share of the unorganized segment for steel files is comparatively lower at less than 10%.

The major steel file manufacturers in India are JK Files & Engineering Ltd, Mittal Files & Tools Private Ltd, Stanley Black & Decker India Private Ltd, Taparia Tools Ltd, etc.

- **Cutting Tools**

A cutting tool is used to remove excess layer of material from the work piece by shearing during machining in order to obtain desired shape, size and accuracy. The various types of cutting tools are drill, tap, mills, reamers, broach, etc.

The cutting tools market in India has shown robust growth in the past supported by consistent investments in infrastructure and construction sector in India. In addition, Government of India's continued focus towards Make in India initiatives and improving domestic manufacturing capabilities has led to healthy demand from the industrial segment.

The leading players in the cutting tools market are Birla Precision, Dormer Tools India Private Ltd (Miranda Tools) and JK Files & Engineering Ltd., Addison & Co. Ltd.

- **Power Tools**

A power tool is a tool actuated by an additional power source. The most common types of power tools use electric motors. Power tools are used in industry, construction, driving (fasteners), drilling, cutting, shaping, sanding, grinding, routing, polishing, painting, heating, and more. Drills, screwdrivers, and router bits, abrasives wheels, saw blades, chippers and threading products are some of the commonly used power tool accessories.

Power tools machines are highly technical in nature and hence the market is highly organized and dominated by international brands. The market for power tool accessories on the other hand, is highly fragmented.

The power tools market in India benefits from the strong demand from the construction, industrial and automotive segments.

The major players in the power tool machine markets are Bosch Ltd, Makita Power Tools India Private Ltd and Stanley Black & Decker India Private Ltd.

- **Non-Sparking Tools**

The non-sparking tools are made of non-ferrous metals which means it doesn't contain iron. They are tools which are used in dangerous flammable environment and also in hospital equipment like MRI machines. They are also known as safety tools, spark-resistant or spark-proof tools. If a normal hand tool like wrench which is made of high resistant chromium which are not suitable for atmosphere that are explosive. The non-sparking tools are basically use in zones that may have flammable dust and liquids. For such kind of environment special tools are made of brass, bronze, aluminium, beryllium, nickel and copper alloys.

The non-sparking tools have properties which are less tensile. The tools with this property is less likely to tear apart and are preferred in flammable environment.

- **Brass Tools**

The brass tools form a part of non-sparking tools and are bit more expensive but are durable as it might stain but the quality is not degraded and have an aesthetic shine.

- **Stainless Steel Tools**

The stainless steel tools are non-corrosive tools which are majorly used in industries like healthcare, offshore applications, food industry, aircrafts, nuclear application, power generation and biotechnological and biomedical laboratories. The stainless steel tool has hardness and can hold formability at different temperatures. The tools made out of stainless steel are 100% recyclable.

- **Insulation Tools**

The manufacturing of insulated tools are done by method of dipping and injection moulding. The insulation tools are primarily designed to safeguard a technician working on live circuits or energized source. The insulated tools follow a strict standard and is marked with symbol stating the volt up to which it is safe to use the tool. The insulated tool is considered good when it is cold resistant, durability and resistance to fire.

### 3 Hand Tools Industry in India

Hand tools are tools such as spanners, pipe cutters, wrenches, pliers that are not powered by electricity. Hand Tools industry is majorly present in micro and small scale sector and is one of the oldest industries in the country. The skilled labor for this industry are primarily present in the states like Punjab, Rajasthan and Maharashtra making them a hub of production of hand tools.

Due to industrialization nationally and globally in recent years, hand tool market grew manifold. Industries like defense, railways, agriculture, automobiles, and aerospace are expecting good quality products for ease of operation due to which demand for hand tools has seen a sharp rise. Government initiatives such as ‘Make in India’ with focus on improving domestic manufacturing capabilities are also expected to support future growth in the sector.

The hand tool industry is highly fragmented with 80% of sector being unorganized. Major existing Hand Tool clusters in India have been tabulated below:

**Table 4: Hand Tool clusters in India**

S. No.	Name of Cluster	State
1.	Jalandhar Hand Tool Cluster	Punjab
2.	Ludhiana Hand Tool Cluster	Punjab
3.	Mumbai Hand Tool Cluster	Maharashtra
4.	Nagpur Hand Tool Cluster	Maharashtra
5.	Nagaur Hand Tool Cluster	Rajasthan
6.	Purulia Hand Tool Cluster	West Bengal

Source: Ministry of Micro, Small and Medium Enterprises

According to Jalandhar Hand Tools Manufacturers Association about 40% of the hand tool is manufactured in Punjab.

**Table 5: Hand Tool Units in Punjab**

S. No.	Name of Cluster	No. of units
1.	Jalandhar Hand Tool Cluster	1,200
2.	Ludhiana Hand Tool Cluster	800
3.	Patiala Hand Tool Cluster	400
4.	Other Hand Tools Units in Punjab	1000

Source: Ministry of Micro, Small and Medium Enterprises

The industry includes 10 to 15 large hand tool manufacturing players and about 8,500 MSMEs. For developing hand tools industry, The United Nations Development Programme (U.N.D.P) and The Government of India together set up Central Institute of Hand Tools (CIHT), in Punjab and nearby states.

Given the labor intensive nature of hand tool industry, India is one of the well-established markets for hand tools in the Asia-Pacific region alongside China.

### 3.1 Domestic Demand and Trade Outlook

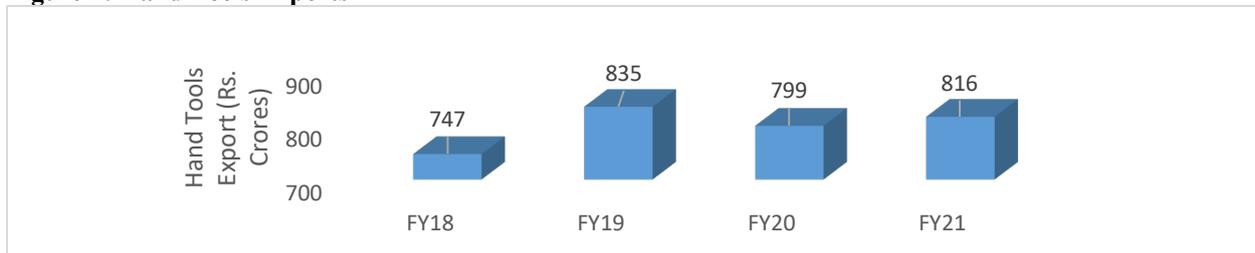
The global hand tool market size is estimated to be around \$22 billion for FY21. India has comparatively smaller share in overall hand tool markets owing to the fragmented nature of the sector. However, given the rapid industrialization, hand tools industry in India is estimated to reach over \$1.5 billion by FY25.

The construction, automobile, aerospace and DIY sectors use hand tools for applications including drilling, hammering, sawing, and others. Hand tools are majorly used for cutting and sizing of woods, tiles, stones, concrete etc. leading to construction and infrastructure segments being the largest contributors of overall hand tools demand. Other key end industries using hand tools include electronics, auto and aerospace.

#### Import Export Trend

As per the data received from Ministry of Commerce Export Import Data bank, export value for the hand tool products in last four years has been summarized below:

**Figure 1: Hand Tools Exports**



Source: Ministry of Commerce Export Import Data bank

**Top export destinations of Hand Tool from India are:**

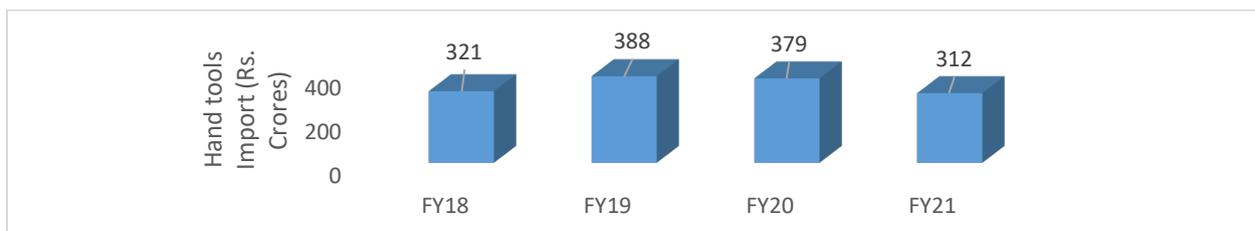
**Table 6 : Top Export Destinations from India**

S.No.	Country	FY 20 Exports(in Rs. Cr.)	% share of total Hand Tool exports
1.	United States of America	322.96	40.39%
2.	United Kingdom	59.69	7.46%
3.	France	42.20	5.28%
4.	Germany	34.29	4.30%
5.	United Arab Emirates	30.79	3.85%

Source: Ministry of Commerce Export Import Data bank

As per the data received from Ministry of Commerce Export Import Data bank, import value for the hand tool products in last four years has been summarized below:

**Figure 2: Hand Tools Imports**



Source: Ministry of Commerce Export Import Data bank

### 3.2 Raw material requirement and availability

Steel is the raw material used in manufacturing tools. There are various types of steels that are used to manufacture tools. Common steel grades used to manufacture tools are

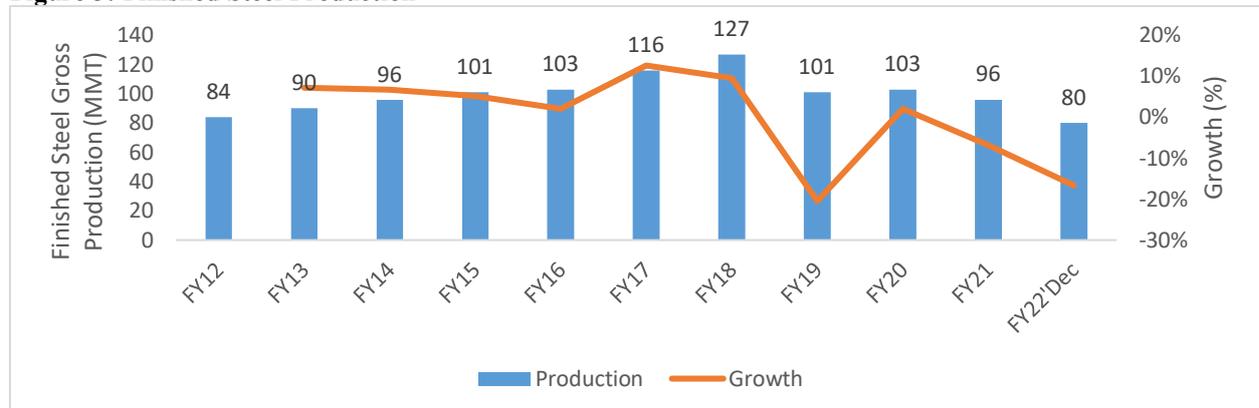
Carbon Steel	Chromium Steel	Chrome Molybdenum Steel
<ul style="list-style-type: none"> <li>•Further sub divided into high, medium and low steel depending on the amount of carbon in it</li> <li>•Screwdrivers are manufactured using carbon steel</li> </ul>	<ul style="list-style-type: none"> <li>•This type has better strength and toughness than Carbon Steel</li> <li>•Used in manufacture of pliers, manual sleeves and wrenches</li> </ul>	<ul style="list-style-type: none"> <li>•This type of steel has maximum strength and toughness</li> <li>•Top grade screwdrivers and small hex wrenches are used using</li> </ul>

The raw material prices have a significant impact on the manufacturing cost of Tools and Hardware industry (T&H). The main raw material used for hand tools is steel. The market is highly competitive given the fragmented nature of the market. Hence, players may not be able to pass on increase in raw material price affecting their profitability.

#### 3.2.1 Finished Steel Production

The finished steel gross production has increased from 76.30 MMT in 2010-11 at a CAGR of 2.35% to reach 96.21 MbMT in FY21.

**Figure 3: Finished Steel Production**



Source: CMIE

India has seen the sharpest decline in steel demand in FY20 because of Covid-19. The recovery in domestic demand was initially driven by exports but strong rebound in both manufacturing and infra activities have led to a sharp rise in both production and consumption of steel. After the Government started to relax the lock down norms domestic demand started to pick up. Domestic Steel Industry was able to reach pre-Covid level of 9 MMT of monthly production by August 2020. Along with the recovery in domestic demand the steel makers were supported by exports to increase sales volumes.

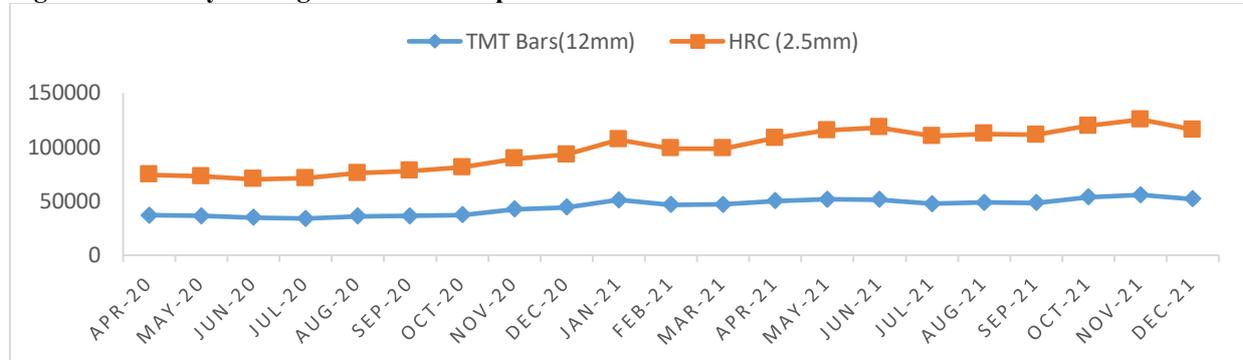
#### 3.2.2 Finished Steel Prices

The steel prices however are expected to see an uptrend with the ongoing Russia-Ukraine crisis. This is because Russia is the 2nd largest steel exporter (followed by China) and 5th largest steel producer in the world. As per the World Steel Association, Russia had produced 75.6 million tonnes in calendar year (CY) 2021 and had exported 31.5 million tonnes of steel in CY 2020 followed by 51.4 million tonnes of steel exported from China. During CY20, Ukraine too had exported 15.2 million tonnes of steel to the world and had produced 21.4 million tonnes. As a result, the disruption or exclusion of steel exports from these two nations to an extent will likely have an

impact on international supply situation and thus increase prices. Below table shows the trend of steel prices in past one year.

The average finished steel prices shown in the exhibit below are based on prices of TMT bars (12 mm) and HRC (2.5 mm) in the Delhi, Chennai, Mumbai and Kolkata.

**Figure 4: Monthly Average Finished Steel prices**



Source: Steel Benchmarker and Steel Insights

#### 4 Key Demand Drivers

##### Increasing investment in Construction and Infrastructure Industry

Infrastructure is a crucial sector for the overall development of any country. It is considered as the backbone of the country's economy as it integrates projects on a large scale and strengthens its competitiveness on a global level. The infrastructural facilities such as roads, railways, metro rails and so on are required to potentially increase the productivity and seamless functioning of other business sectors in India. Construction and infrastructure is the largest contributor in boosting the demand growth for hand tools. The Government's focus on developing the national infrastructure (roads, railways, ports, airports, etc.) drives the demand for hand tools required at construction sites.

Before the onset of the pandemic the Government of India had unveiled the National Infrastructure Policy (NIP) covering various sectors and regions indicating that it is relying on an 'infrastructure creation' led revival of the country's economy. The NIP which covered rural and urban infrastructure entailed investments to the tune of Rs.111 lakh crore to be undertaken by the central Government, state Governments and the private sector during FY25. The Government's ambitious National Infrastructure Pipeline (NIP) (implementation from FY20 to FY25) is an attempt undertaken by the centre to facilitate economic revival by relying on infrastructure creation.

Despite the current challenges that the sector faces due to the pandemic, India presents significant opportunities for the future. From the mid and long-term perspective, given the Government's thrust on monetization through disinvestment and huge investment through projects under NIP, we expect the industry to show stronger recovery going forward. Infrastructure creation also opens opportunities for allied industries like raw material, quarrying and equipment manufacturing, among others.

Increased Government spends on infrastructure development should help sustain demand for hand tools industry.

##### India as manufacturing hub for Automobile Industry

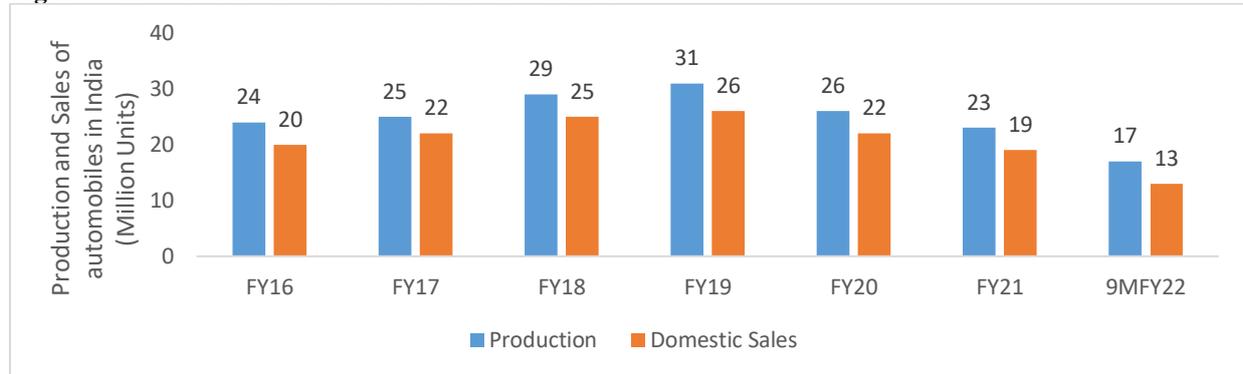
Hand tools are used in automobile production, the auto accessory industry and in vehicle repair/maintenance.

India's automobile industry is one of the largest in the world with sales of 18.6 million units in FY21 (this includes passenger vehicles, commercial vehicles, two wheelers and three wheelers). Share of automobile industry in contribution to GDP is 7%.

India's auto market was the fifth largest in FY 20 and it is expected that it will be the third largest by FY26 in terms of volumes. However, the sales over the past two years declined due to the pandemic. Two wheelers and passenger cars contributed to about 81% and 15% respectively of total automobile sales in FY21. For two wheelers as well as tractors India ranks as the largest market. It is also among the Top-5 and Top-10 markets for Medium & Heavy Commercial Vehicles (M&HCVs) and Passenger Vehicles (PVs), respectively. Growing household

income, favorable demographics, expanding R&D hub and Government initiatives are major reasons for the growth of automobile industry in India.

**Figure 5: Production and sales of automobiles in India**



Note: YTD is from April 2021 to December 2021

Source: SIAM

### Government initiatives

Production Linked Incentive (PLI) scheme and Make in India initiative are two of the major initiatives undertaken by the Government of India to boost hand tools market.

- **Production Linked Incentive (PLI) scheme**

Hand tools are widely used in electronics manufacturing industry. The Government's focus on making India a manufacturing hub for electronics will play a vital role in driving demand for tools such as screwdrivers, tweezers, wire strippers and pliers.

**PLI scheme for Large Scale Electronics Manufacturing** offers a production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components, including Assembly, Testing, Marking and Packaging units.

The Scheme is expected to boost the electronics manufacturing landscape and establish India at the global level in electronics sector thereby increasing the demand of hand tools. Under **PLI Rs. 40,951 crores has been allocated to Large Scale Electronics Manufacturing industry.**

- **Make in India**

Make in India is a major national programme by the Government of India designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country.

This initiative attracts foreign players to set up their manufacturing units in the country. The scheme also aims at making Indian manufacturers globally competitive and enhance exports to make India an integral part of the global supply chain.

The increase in industrialization, supported by these Government initiatives, is in turn expected to drive the demand for hand tools industry in India.

- **Shift towards Do It Yourself (DIY)**

Nowadays more users are inclined to DIY culture. This had led to a sharp rise in the demand for hand tools. Increasingly users have adopted self-servicing methods of assembly and maintenance as their homes.

## 5 Challenges

Some of the challenges faced by Hand Tools Industry are:

### **Growing preference for power tools, due to their versatile application, over hand tools is expected to restrain growth of the hand tools market**

Power tools are much faster than hand tools. With power tools the work is done with less exertion of strength as compared to hand tools. In addition to this, work done by power tools maintains consistency. Some power tools also handle tasks that are impossible with manual hand tools.

### **Increasing prices of raw materials are expected to hamper the hand tools market growth**

Steel is the raw material used in manufacturing tools. There are various types of steels that are used to manufacture tools. Common steel grades used to manufacture tools are Carbon Steel, Chromium-vanadium steel and Chrome molybdenum steel. Domestic steel prices have increased in FY21 and are likely to be increased in the coming future. Rise in raw material price increases the price of the finished products which are hand tools in this case.

### **Increase in safety risks and concerns due to lack of skilled professionals**

There are a few sharp-edged and heavy weight equipment under hand tools which are risky and unsafe. The improper usage or handling of such tools can lead to human safety concerns and hence these tools should be used under necessary guidance with necessary precautions. Additionally, with the higher adoption of hand tools by households due to increase in DIY culture, the safety risks are increasing due to improper or limited knowledge about usage.

### **Lack of all-specification/dimension hand tools to be prepared for every possible area of application**

The application of every hand tool varies according to its designed size, shape and material. This generates a need to use hand tools only with specific requirements for the desired application. Whereas in the practical scenario, it is almost impossible to own and carry all hand tools of all dimensions by the household users or professionals.

### **Low profit margin due to acute competition is expected to hinder the growth of hand tools industry**

The hand tools market is a competitive market dominated by global players who offer highly competitively priced products. Low profit margin due to high competition is one of the challenges of Hand Tools industry.

## 6 Government Initiatives

Some of the key policies that the Government introduced for major end user industries are stated below. They are indirectly expected to benefit the hand tools industry.

### 6.1 Production Linked Incentive (PLI) scheme

In the Union Budget 21-22, the Government announced a financial outlay of Rs 1.97 lakh crores for Production Linked Incentive (PLI) scheme for 13 key sectors for a period of 5 years starting from FY22. This is line with the vision of the Government of an 'Aatmanirbhar Bharat'. The objective of this scheme is to encourage domestic manufacturing in the country and help them become globally competitive so as to create global Champions in manufacturing. As a result of PLI schemes, it is estimated that the minimum production in the country will be over USD 500 billion in 5 years.

The 13 sectors include already existing sectors that were approved in March, 2020 as stated in the table below.

**Table 7: Financial outlay under PLI for existing 3 sectors**

No	Sectors	Implementing Ministry/Department	Financial Outlay (in Rs crores)
1	Mobile Manufacturing and Specified Electronic Components	MEITY	40,951
2	Critical Key Starting materials/Drug Intermediaries and Active Pharmaceutical Ingredients	Department of Pharmaceuticals	6,940
3	Manufacturing of Medical Devices		3,420
<b>Total</b>			<b>51,311</b>

Source: Press release by PIB

The PLI schemes for remaining 10 sectors was approved in November 2020 as follows:

**Table 8: Financial outlay under PLI for 10 sectors**

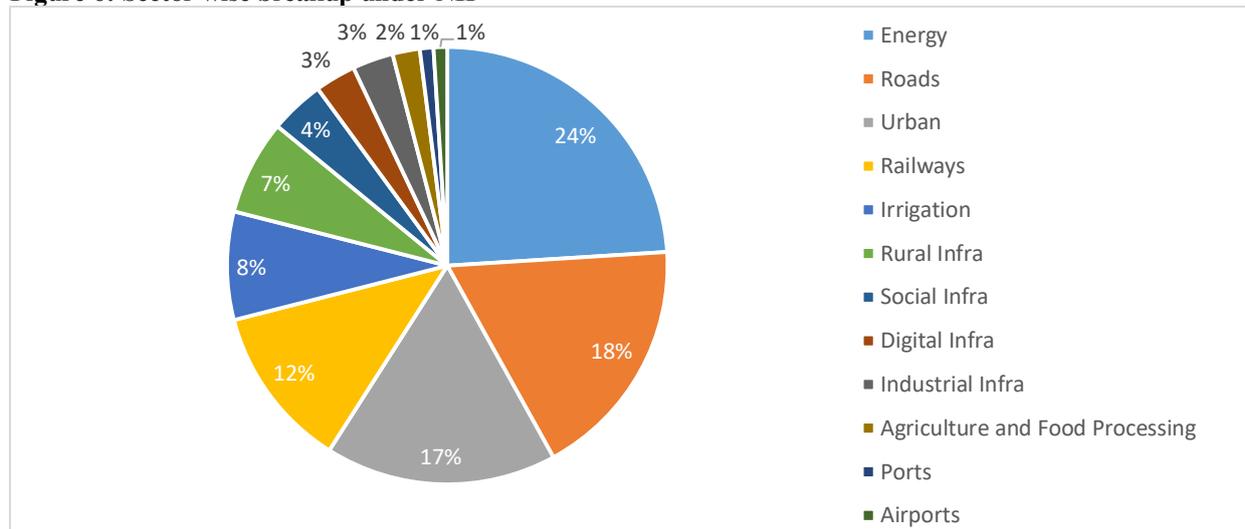
Priority	Sectors	Implementing Ministry/Department	Financial Outlay (in Rs crores)
1	Advance Chemistry Cell (ACC) Battery	NITI Aayog & Department of Heavy Industries	18,100
2	Electronic /Technology Products	Ministry of Electronics & Information Technology	5,000
3	Automobiles & Auto Components	Department of Heavy Industries	57,042
4	Pharmaceutical Drugs	Department of Pharmaceuticals	15,000
5	Telecom & Networking Products	Department of Telecom	12,195
6	Textile Products: MMF segment and technical textiles	Ministry of Textiles	10,683
7	Food products	Ministry of Food Processing Industries	10,900
8	High Efficiency Solar PV Modules	Ministry of New & Renewable Energy	4,500
9	White Goods (ACs & LEDs)	Department for Promotion of Industry & Internal Trade	6,238
10	Speciality Steel	Ministry of Steel	6,322
		<b>Total</b>	<b>1,45,980</b>

Source: Press release by PIB

## 6.2 National Infrastructure Pipeline (NIP)

The Government announced in August 2020 the National Infrastructure Pipeline (NIP) to achieve the GDP of USD 5 trillion by FY25. NIP includes both economic and social infrastructure project and the total outlay under this scheme is Rs 111 lakh crores. This scheme is expected to attract investments in the following sectors and contribute to the growth of the sectors and the overall economy.

**Figure 6: Sector wise breakup under NIP**



Source: National Infrastructure Pipeline

## 6.3 National Auto Policy 2018

In February 2018, The Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises (MoHI&PE) released the draft National Auto Policy (NAP).

**Vision:** “To provide a long-term, stable and consistent policy regime and to have a clear roadmap for the automotive industry, making India a globally competitive auto R&D and manufacturing hub and achieving the targeted objectives of green mobility”

**Mission:** The National Auto Policy is envisaged to achieve the following:

- To propel India as an automotive industry amongst the top 3 nations in the world in engineering, manufacturing and export of automotive vehicles and components.
- To scale-up exports to 35-40% of the overall output and become one of the major automotive export hubs in the world.
- To enable the automotive sector to become one of the largest employment creation engines.
- To enable the automotive sector in India to become a global hub for research & development.
- To drive the automotive sector in India to adopt safe, clean and sustainable technologies.

**Objectives:** The objectives of the National Auto Policy are:

- Increase contribution to GDP to support the growth of the automotive industry in India and become one of the major contributors to the country’s GDP and comprise a considerable proportion of the manufacturing sector GDP by 2026
- Increase exports to scale-up exports to 30-40% of the overall output over the next decade and improve the brand recognition, competitiveness and technological advancement of the Indian automotive industry across the world

#### 6.4 The Automotive Mission Plan 2016-26

The Automotive Mission Plan 2016-26 (AMP 2026) is the collective vision of Government of India (Government) and the Indian Automotive Industry on where the Vehicles, Auto components, and Tractor industries should reach over the next ten years in terms of size, contribution to India’s development, global footprint, technological maturity, competitiveness, and institutional structure and capabilities.

#### 6.5 National Electric Mobility Mission Plan 2020

Launched in year 2013, it is one of the most important and ambitious initiatives undertaken by the Government of India that has the potential to bring about a transformational paradigm shift in the automotive and transportation industry in the country. This is a culmination of a comprehensive collaborative planning for promotion of hybrid and electric mobility in India through a combination of policies aimed at gradually ensuring a vehicle population of about 6-7 million electric/hybrid vehicles in India by the year 2020 along with a certain level of indigenization of technology ensuring India’s global leadership in some vehicle segments. It is a composite scheme using different policy-levers such as:

- Demand side incentives to facilitate acquisition of hybrid/electric vehicles
- Promoting R&D in technology including battery technology, power electronics, motors, systems integration, battery management system, testing infrastructure, and ensuring industry participation in the same
- Promoting charging infrastructure
- Supply side incentives

#### 6.6 Sub-Mission on Agriculture Mechanization (SMAM)

The Sub- Mission on Agriculture Mechanization (SMAM) launched in FY14-15 is scheme under which the Government of India provides assistance to State Government to provide demonstration and training of new farm machinery to the farmers and also support them in procurement of agriculture machineries and equipment. The scheme aims to enhance farm mechanization to marginal farmers to improve the productivity.

#### 6.7 National Automotive Testing and R&D Infrastructure Project (NATRiP)

The National Automotive Testing and R & D Infrastructure Project (NATRiP) is an initiative of the Government of India in the automotive sector. The aim of this Project is to improve the core competencies in Automotive sector in India and facilitate seamless integration of Indian Automotive industry with the world as also to position the country prominently on the global automotive map.

The vision of this project involves:

- Deepen manufacturing
- Encourage localized R&D
- Boost exports

It aims to converge India's unparalleled strengths in IT and electronics with automotive engineering sectors, to firmly place India in USD six trillion global automotive business.

## 7 Key players

Some of the large industries involved in the hand tool manufacturing have been mentioned below:

Apex Tool Group	JK Files & Engineering Ltd.
De Neers Tools Ltd.	Taparia Tools Ltd.
Gardex India Private Ltd.	Venus Industrial Corporation

### Peers of De Neers Tools:

#### Apex Tool Group

Apex Tool Group (ATG) is one of the largest manufacturers of professional hand and power tools in the world, serving the industrial, vehicle service and assembly, aerospace, electronics, construction and serious DIY markets. It is headquartered in USA and has manufacturing facilities present over 20 locations through North and South America, Europe, Australia and Asia and has operations over 30 countries around the world. ATG works collaboratively with distributors, retailers and large customers across the globe to make sure end users have the tools they need to solve real-world problems. The main product includes Hand tools, Power tools and Electronic tools

#### Gardex India Pvt. Ltd.

Gardex India Pvt. Ltd. was founded in the year 1997. It is into integrated manufacturing and branding ideal drop, press and roll forging techniques. It is one of the largest manufacturer of striking tools and steel files in the world.

#### JK Files and Engineering

JK Files & Engineering Limited is a subsidiary of Raymond Ltd. It is one of the largest manufacturer of steel files with presence in over 55 countries. The product includes files, cutting tools, hand tools, power tools and power tool accessories.

Particulars (Rs. Crores)	FY21	FY20
Revenue	355	384
EBITDA	46	36
EBITDA Margin (%)	13	9
PAT	24	12
PAT Margin (%)	7	3

Source: Ace Equity

#### Taparia Tools Ltd.

Taparia Tools started manufacturing hand tools in 1969 in India in technical collaboration with a reputed company of Sweden. The company has a well laid out fully equipped factory located at Nashik. All the manufacturing facilities required for production of hand tools are under one roof – one location. Hand tools manufacturing is complicated involving high technology and labor intensive production process. The products include pliers, testers, screwdrivers, tool sets, sockets, torque wrenches etc.

Particulars (Rs. Crores)	FY21	FY20
Revenue	538	475
EBITDA	66	43
<i>EBITDA Margin (%)</i>	<i>12</i>	<i>9</i>
PAT	48	31
<i>PAT Margin (%)</i>	<i>9</i>	<i>7</i>

Source: Annual Report

### Venus Industrial Corporation Ltd.

Venus Industrial was established in the year 1969 with only 2 drop forged hammers. Currently they manufacture around 2 lakh pcs. Of hand tools daily in their manufacturing facilities. The products includes pliers, plumbing tools, spanners, wrenches, sockets, measuring tapes, lubrication tools etc.

Particulars (Rs. Crores)	FY19	FY18
Revenue	289	268
EBITDA	6	14
<i>EBITDA Margin (%)</i>	<i>2</i>	<i>5</i>
PAT	-1	3
<i>PAT Margin (%)</i>	<i>0</i>	<i>1</i>

Source: Ace Equity

## 8 Outlook

The hand tools industry in India is expected to grow at a steady CAGR of ~5% over the medium term to reach over \$1.5 billion dollars by FY25. Particularly, the organized players are expected to grow at a higher CAGR driven by industrialization and increasing investments towards infrastructure. Unorganized players are expected to continue to maintain a dominant share in the industry.

Key drivers for the growth in the hand tools industry are as follows:

- **Increase in Investments**

As the largest consumer of hand tools, increase in investments in construction and infrastructure will be a key growth driver for hand tools industry. The Government of India has increased the spending for Infrastructure for FY22 at Rs. 1.18 lakh crores compared to the actual expenditure of Rs. 78,249 crores for 2020-21, to boost the overall economic growth amidst Covid-19. In addition, Rs 111 lakh crore of investments has been projected in infrastructure projects for fiscals 2020-25 by the Task Force on National Infrastructure Pipeline.

In addition to this, Government in the Union Budget 2022-2023, increased allocation towards capital expenditure by more than 35% from around Rs 5.5 lakh crore as per FY22 RE (Revised Estimates) to around Rs 7.5 lakh crore as per FY23 BE (Budget Estimates).

In addition, the Government of India has been focusing on Smart Cities Mission and Housing for All as a result of rapid urbanization in the country. Additionally, the Government is also implementing ambitious plans for economic development such as the Amrut scheme, Golden Corridor, the commencement of metro rail projects as well as the expansion of bullet trains. Further, India has also witnessed growth in building and construction spending due to the rise in per capita disposable income and the availability of affordable loans in the country. These initiatives will spur the demand for the construction market and in turn, would accelerate the demand for hand tools sector.

- **Expected growth in domestic automobile industry**

India's auto market was the fifth largest in FY20 and it is expected that it will be the third largest by FY26 in terms of volumes. Growing household income, favorable demographics, expanding R&D hub and Government initiatives are major reasons for the growth of automobile industry in India. The

domestic passenger vehicles and commercial vehicles are estimated to grow at a CAGR of 5-6% by FY25.

- **Growth in electronics industry**

With the digital push due to Covid-19 pandemic, the demand for electronics sector is expected to exhibit robust growth over the medium term. India aims to become a USD 5 trillion economy by FY26 including USD 1 trillion of digital economy. This is expected to push the demand for electronic products in India. Government had already introduced initiatives on PLI and Make in India to boost the domestic manufacturing. In addition, the Government of India has launched the vision on 'USD 300 bn sustainable electronics manufacturing and exports by FY26' in January 2022, which is expected to provide further impetus to the sector.

- **Rising growth of 'Do It Yourself' culture** is also a major reason for increasing hand tools market in India

However, hand tool players face stiff competition from power tools manufacturers. Usage of power tools is growing because industries are inclined to benefit from its cost effectiveness and higher efficiency. Power tools have replaced hand tools to an extent because the tasks by power tools are performed with less effort and consume less time. However, hand tools cannot be completely replaced because they are price competitive, less likely to break and give more control over the job.

In addition, hand tools industry is susceptible to the recent geopolitical tension between Russia-Ukraine as it has impacted the availability and prices of key commodities such as steel. Companies involved in import and export of hand tools, machine parts, textiles etc. from country will face delay in payments even for goods in transit and banks would not accept letter of credit issued from countries of Russia and Ukraine. The exports have been stuck midway and shipments have also been affected. To control the impact Government of India is planning a relief measure by providing letter of credit and bank guarantee so that the trade settlement is not hampered.

Further, it is assumed that continued rise in steel prices will lead to mismatch in demand-supply and will impact the operating profitability.

## 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 23, 134 and 137 respectively.

### OVERVIEW

Our promoter family started the hand tool business way back in 1952 with a small setup in Delhi and embarked upon a journey to become market leaders in this industry. Using this experience of over seven decades our promoters, Mr. Neeraj Kumar Aggarwal (Managing Director) and Mr. Kanav Gupta (Chief Financial Officer and Whole Time Director) and Mrs. Shilpy Aggarwal (Whole Time Director), led the formation of *De Neers Tools LLP* on March 20, 2018 with an aim to develop our own brand under the name “De Neers” in the hand tools industry. *De Neers Tools LLP* also took over the business of ‘M/s Deewan Chand Madanlal & Sons’ on going concern basis vide an agreement dated June 17, 2021. Later, *De Neers Tools LLP* was converted into a limited liability company named *De Neers Tools Limited* vide fresh certificate of incorporation dated July 26, 2021.

The brand “*De Neers*” is based on the determination to provide the best quality hand tools available in India. All these years we focused on customer needs and therefore established a brand having an aim to satisfy the customer to the fullest. At present, company has approximately 250 dealers throughout India and also looking for export possibilities.

*De Neers Tools Ltd* is an ISO 9001:2015, ISO 14001:2015 and 45001:2018 accredited company. Today, we have over 3200 SKUs and we are the fourth-generation serving the hand tools industry since 1952 i.e. over seven decades. Generation on generations, we have learned and adopted new and improved systems to increase our dealership network, customer reach and the best practices to satisfy our customers’ needs to the fullest.

*De Neers* is among the few key players in the hand tool industry as per the industry report of CareEdge. We provide a very broad range of hand tools in India with approximately two-third of our revenue geographically concentrated in the states of Delhi NCR, Gujarat, Telangana, Bihar & Uttar Pradesh (UP). Our extensive range of products includes spanners, wrenches, pliers, cutters, allen keys, hammers, socketry, screw drivers, tool kits, tool cabinets, trolleys, etc. We are also specialized in providing safety tools like non-sparking tools, insulated steel tools, non-sparking insulated tools, stainless steel & magnetic tools, titanium tools along with multiple other hand tools. We have experienced and dedicated personnel that keeps a regular check on the latest trends and opportunities in the market and focuses on improving the design and structure of the products. Our focus is on producing tools that can stand up to the demands of the professionals who use them every day. *De Neers* is widely accepted by the dealers / distributors, hardware suppliers throughout India.

Our company exported goods in the FY 2021-22 for a small amount of ₹ 1.04 Lakhs and imported goods of ₹ 0.44 Lakhs in the current FY as disclosed in the Restated Financials.”

**Following are some of our major products with description:**

Sr. No.	Product Name with Image	Product Description
1.	<b>Double Open end Spanners (HSN 8204)</b> 	<ul style="list-style-type: none"> <li>➤ Forged from Chrome Vanadium Steel</li> <li>➤ Hardened &amp; Tempered, Chrome Plated</li> <li>➤ Recessed Pattern</li> <li>➤ Generally Conforming to IS 2028-2004</li> </ul>
2.	<b>BI-Hexagon Ring Spanners-Shallow Offset</b> 	<ul style="list-style-type: none"> <li>➤ Forged from Chrome Vanadium Steel</li> <li>➤ Hardened &amp; Tempered, Chrome Plated</li> <li>➤ Shallow Offset, Strong &amp; Thin Walls</li> <li>➤ Generally Conforming to IS 2029-1998</li> </ul>

3.	<p><b>Combination Ring &amp; Open End Spanners (HSN 8204)</b></p> 	<ul style="list-style-type: none"> <li>➤ Forged from Chrome Vanadium/Alloy Steel</li> <li>➤ Hardened &amp; Tempered, Chrome Plated</li> <li>➤ Long Profile Handle for Extra leverage</li> <li>➤ Generally Conforming to IS 6389-1998/DIN 3113</li> </ul>
4.	<p><b>Slogging Open end Spanner (HSN 8204)</b></p> 	<ul style="list-style-type: none"> <li>➤ Head set at 15 angle</li> <li>➤ Black Phosphated</li> <li>➤ Heavy Duty impact spanner with strong profile handle and durable striking end.</li> <li>➤ Manufactured from Chrome Vanadium/Alloy Steel</li> <li>➤ Generally Conforming to IS-4508 1992, DIN:133</li> </ul>
5.	<p><b>Combination Pliers-Heavy Duty (HSN 8203)</b></p> 	<ul style="list-style-type: none"> <li>➤ Hardened and Tempered</li> <li>➤ High Quality Alloy Steel</li> <li>➤ Generally Conforming to IS 3650-1981</li> </ul>
6.	<p><b>Long Nose Pliers (HSN 8203)</b></p> 	<ul style="list-style-type: none"> <li>➤ Chrome Vanadium Steel</li> <li>➤ Sturdy-Grip Design</li> <li>➤ Generally Conforming to IS 5658-1990</li> </ul>
7.	<p><b>Adjustable Wrenches (HSN 8204)</b></p> 	<ul style="list-style-type: none"> <li>➤ Generally Conforming to IS 6149-1984 Grade-II</li> <li>➤ Our Licence No. CM/L-9700060818</li> <li>➤ Sizes 200, 250, 300, 375mm are ISI marked also</li> <li>➤ Heavy Duty Jaws</li> </ul>
8.	<p><b>Pipe Wrenches Stillson Pattern (HSN 8204)</b></p> 	<ul style="list-style-type: none"> <li>➤ Generally Conforming to IS 4003 Part-1 1978</li> <li>➤ Full Piece hardened &amp; tempered</li> <li>➤ Our Licence No. CM/L-9700050015</li> <li>➤ Sizes 300,350,450, 600mm are ISI marked also</li> </ul>
9.	<p><b>Bolt Cutters (HSN 8203)</b></p>	<ul style="list-style-type: none"> <li>➤ Suitable for Cutting Metal upto 25 HRc Hardness</li> <li>➤ Precise Cutting</li> <li>➤ Generally Conforming to IS 5200-1998</li> </ul>

		
10.	<b>Wire Stripper and Cutter (HSN 8203)</b> 	<ul style="list-style-type: none"> <li>➤ Generally Conforming to IS 5087-1969</li> <li>➤ Sturdy Grip Design</li> <li>➤ Precise Cutting</li> </ul>
11.	<b>Sledge Hammer with Fibreglass Handle (HSN 8205)</b> 	<ul style="list-style-type: none"> <li>➤ Drop forged from carbon steel</li> <li>➤ Fibreglass Handle Absorbs-Shock</li> <li>➤ Long Life</li> <li>➤ User Friendly Grip</li> </ul>
12.	<b>Flat Screw Drivers (HSN 8205)</b> 	<ul style="list-style-type: none"> <li>➤ Engineer's Pattern</li> <li>➤ Magnetic TLP</li> <li>➤ Generally Conforming to IS 844-1979</li> </ul>
13.	<b>Screw Driver Sets (Round Box) (HSN 8205)</b> 	<ul style="list-style-type: none"> <li>➤ Neon Bulb with eight blades in 6mm Dia Consisting Extn. Rod</li> <li>➤ Attractive Round Plastic Body for easy Use.</li> </ul>
14.	<b>Screw Driver Sets (HSN 8205)</b> 	<ul style="list-style-type: none"> <li>➤ Neon Bulb with Five Blades including Poker</li> <li>➤ Compact Design</li> </ul>

15.	<b>1/4 Drive Hex Socket Set (HSN 8204)</b> 	<ul style="list-style-type: none"> <li>➤ Strong Blow Moulded Case.</li> <li>➤ Sockets are cold forged from CRV-Steel.</li> </ul>
16.	<b>19mm (3/4) SQ Drive Hex &amp; BI-HEX Socket (Extra Heavy) (C Series) (HSN 8204)</b> 	<ul style="list-style-type: none"> <li>➤ Sockets with Blue Ribbon (In Chrome Finish)</li> <li>➤ Chrome Vanadium Steel/Chrome Molybdenum</li> <li>➤ High Torque Taking Capacity</li> <li>➤ Generally Conforming to IS 6131-1980 &amp; 7381-1986</li> </ul>
17.	<b>Reversible Ratchet Handle (HSN 8204)</b> 	<ul style="list-style-type: none"> <li>➤ Generally Conforming to IS 7975-1991</li> <li>➤ 72 Teeth Ratchet</li> </ul>
18.	<b>Hex Allen Key- Short Pattern (HSN 8204)</b> 	<ul style="list-style-type: none"> <li>➤ Chrome Vanadium Steel</li> <li>➤ Black Finish</li> <li>➤ Chamfered Heads</li> <li>➤ Proper Heat Treatment 48-52 HRc</li> <li>➤ Sliding Box Packing/Blister Packing</li> <li>➤ Shiny Black Finish</li> <li>➤ Steady-Grip</li> <li>➤ Heads of Allen Keys are Shamfered</li> </ul>
19.	<b>Two-Way Hex Key With Handle (mm sizes) (HSN 8204)</b> 	<ul style="list-style-type: none"> <li>➤ Extra Long Pattern</li> <li>➤ Two Way Utility</li> <li>➤ Bright Chrome Finish</li> </ul>
20.	<b>All Steel Bench Vice Fixed Base (HSN8205)</b>	<ul style="list-style-type: none"> <li>➤ Body Made from selected steel</li> <li>➤ Hardened &amp; Knurled Replaceable high Carbon Steel Jaws</li> <li>➤ Highest Weights in the segment</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Generally Conforming IS-2586-986</li> </ul>
21.	<b>Bucket Grease Pump Heavy Duty (HSN 8413)</b>  	<ul style="list-style-type: none"> <li>➤ Washer, PU Ring, Piston Ring, O Ring, brass Bush 2, Plunger Rod, Plunger , Steel Ball, Spring, Nozzle Ring</li> <li>➤ Useful For Cleaning Greasing of trucks &amp; Machinery Pump has steel Construction with cast head and Solid steel pump Chamber.</li> <li>➤ High Pressure hand operated portable pump comes complete with 2.2 meter of high pressure hose fitted with accessories.</li> <li>➤ Rubber Wheels for Long-Life</li> </ul>

## PRODUCT WISE DISTRIBUTION OF SALES

Product	Contribution to the Total sale for the period ended Oct 30, 2022	Contribution to the Total sale for the period ended Mar 31, 2022	Contribution to the Total sale for the period ended Mar 31, 2021	Contribution to the Total sale for the period ended Mar 31, 2020
Abrasives	3.58%	-	-	-
Allen Key	3.12%	3.04%	3.00%	2.25%
Bearing Puller	-	0.29%	-	-
Chisels	0.52%	0.25%	0.33%	0.59%
Clamp	0.23%	0.25%	0.32%	0.30%
Cutters	1.98%	1.16%	2.66%	1.18%
Cutting Blades	11.74%	6.78%	6.80%	5.74%
Files	1.45%	0.33%	0.42%	0.20%
Hacksaw Blade	0.19%	0.07%	0.17%	0.19%
Hacksaw Frame	0.15%	0.05%	0.16%	0.39%
Hammers	2.89%	3.58%	3.06%	4.56%
Insulated Steel	1.26%	0.82%	0.39%	0.10%
Lubrication Tools	1.11%	1.00%	0.83%	0.66%
Miscellaneous	14.97%	13.46%	9.76%	14.69%
Non Sparking	1.96%	2.05%	2.51%	2.21%
Non sparking Insulated	0.06%	0.02%	0.02%	0.02%
Pliers	3.28%	3.73%	3.66%	4.32%
Power Tools	4.40%	5.12%	5.83%	4.51%
Puller	0.25%	0.07%	0.39%	0.34%
Screw Drivers	3.53%	3.32%	3.24%	3.19%
Socketry	12.69%	16.14%	16.58%	12.17%
Spanners	18.04%	24.95%	29.49%	30.18%
Stainless Steel	0.29%	0.07%	0.08%	0.05%

Tool Boxes	0.68%	0.20%	0.64%	0.53%
Tool Cabinets	-	0.35%	-	-
Tool Kit	5.28%	3.69%	1.02%	2.01%
Vices	0.69%	0.78%	0.69%	1.02%
Wrenches	5.66%	7.96%	7.95%	8.58%

## OUR STRENGTHS

Our key competitive strengths are:

### Experienced directors and management team

Our company is promoted by Mr. Neeraj Kumar Aggarwal, Mr. Kanav Gupta and Mrs. Shilpy Aggarwal, having an average experience of more than 10 years, along with 3 decades of experience of Mr. Neeraj Kumar Aggarwal, in the field of hardware tools and related products. Their individual industry experience enables us to anticipate and address market trends, manage and grow our operations. We believe that our management team and other Key Managerial Personnel are well qualified and possess an in-depth understanding of our products and have been responsible for widening our operations and have enabled us to extend our operational capabilities, improve the quality of products and it is therefore well - positioned to focus on the continued expansion and strengthening of our business.

### Distribution system

Our end-to-end business approach makes us the most unique and successful hardware tools business. We are counted among the leading hand tool distributors and as per the report of CareEdge we are one of the few key players in this industry, due to our consistent hard work to deliver quality products. We aim to provide professional hand tools of the utmost quality. Our focus is on selling handtools that can stand up to the demands of the professionals who use them every day. Among our distributors we are famous for providing the broadest range of products in India.

### Quality and safety of products

Our company comes to increasing workplace safety in different industrial environments, our tools act as support. These tools find their applications in automotive, infra-construction, aerospace, marine, petrochemical, medical, defence industries where anti-magnetic, anti-corrosive tools are mandatory for ensuring users' safety. Conventional steel tools can generate spark and cause an explosion or fire. Thus, our non-sparking hand tools, also sometimes referred to as anti-spark, safety tools, or sparkless tools, are used to ensure safety.

### Repeat orders

We believe that meeting customer specific requirements and delivery of orders is one of the key growths. Our company has made efforts to ensure customer satisfaction by taking steps for meeting customer specific requirements, timely delivery of orders to our customers as well as maintaining consistency in quality and this has yielded results in the form of repeat orders from our customers. The repeat orders reflect the confidence reposed in us by our customers.

### Strong supply chain

We source our products from fully equipped manufacturing units in Punjab having good infrastructure and production capabilities, providing us with the highest quality hand tools. They have latest & modern spectro machines to check raw material quality, life-cycle test machines, frictional drop forged hammers, and automatic chrome plating plants. Every product manufactured in these production units has to go through the Quality Assurance Department which ensures the quality of the tools before they are delivered to our final customers.

## OUR STRATEGY

Our Business strategies are as follows:

### Continue to improve operational efficiencies through economies of scale

Our operational efficiencies have been established and refined over the years through an emphasis on economies of scale, incorporating the learnings we have acquired as part of our business operations, and supply chain

developed for sourcing our products. We intend to continue to maintain and improve our operational efficiencies, with a focus on our supply chain.

To enhance market share by expanding our business

We intend to expand our business more with our organized dealers/distributors. Currently we have a network of over 250 dealers/distributors. We are exploring more dealers/distributors that have the desired spread and reach. We can benefit from their distribution network which will give a significant strength to our business as it will allow us to market and sell our products across India. We plan to appoint a dealer or sub dealer at a stretch of 40 km each throughout major cities across India.

Brand outreach

We intend to invest on marketing and promotions to improve our brand outreach in order to accelerate customer adoption and promote our brand. We believe that these investments will contribute towards growth of business and result in customers coming back to us organically for repeat purchases. Also due to the growth in brand value we would be able to improve our margins further. We are also working on major e-commerce platform like Amazon, Industry buying, Udaan and more such portals.

Enhancing efficiency & productivity

We will work towards providing employee benefits, and satisfaction by quarterly employee meets, taking constrictive feedbacks & increasing employee morale to increase participation & hence productivity.

## SWOT ANALYSIS

### SWOT ANALYSIS

#### 1. STRENGTHS

- Decades old presence of promoter family in our industry
- Growth in our brand image along with further potential
- Established strong distribution system
- Strong management
- Cordial relationship with customers

#### 2. WEAKNESSES

- Working-capital intensive business
- Dependence on suppliers for desired quality of products
- Resource limitations
- High volume of inventory

#### 3. OPPORTUNITIES

- Underserved markets for specific products
- Emerging needs for products leading to expansion
- Attract new customers to increase market share
- The hand tool industry is highly fragmented with 80% of sector being unorganized as per the report by CareEdge

#### 4. THREATS

- Changing regulatory environment
- Emerging competitors
- Changing customer attitudes towards brand
- Fluctuations in market prices

## INFORMATION SECURITY

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our IT team facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of products and their distribution, payments to vendors and receivables from customers.

## SALES AND MARKETING

A strong and robust sales and marketing team ensures pitching for prime projects at the appropriate time. Our marketing team ensures compatibility and reliability with our distributors servicing their needs and requirements efficiently. This is the reason major dealers/distributors continue to associate with our company year on year. Our quality assurance team keep a regular check on products entering our warehouses to ensure their physical and metallurgical quality. De Neers has a wide range of products, in which continuous additions are being made. The quality, features, look, and packaging of tools are continuously improved and customized according to the latest trends and demands of our esteemed ultimate customers.

## COMPETITION

We operate in a competitive atmosphere with multiple few organized competitors and multiple unorganized customers. In organized peers Taparia Tools Limited is listed and traded on BSE. Some of our competitors may have greater resources than those available to us. We face fair competition from both organized and unorganized players in the market. We believe that our experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players. We believe that we have the potential to compete effectively in the market with our quality of products. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the products. We compete with these competitors to enter directly into deals with customers.

Following is the extract from the Industry Report prepared by CareEdge –

### “Key players :

Some of the large industries involved in the hand tool manufacturing have been mentioned below:

Apex Tool Group	JK Files & Engineering Ltd.
De Neers Tools Ltd.	Taparia Tools Ltd.
Gardex India Private Ltd.	Venus Industrial Corporation

### Peers of De Neers Tools:

#### **Apex Tool Group**

Apex Tool Group (ATG) is one of the largest manufacturers of professional hand and power tools in the world, serving the industrial, vehicle service and assembly, aerospace, electronics, construction and serious DIY markets. It is headquartered in USA and has manufacturing facilities present over 20 locations through North and South America, Europe, Australia and Asia and has operations over 30 countries around the world. ATG works collaboratively with distributors, retailers and large customers across the globe to make sure end users have the tools they need to solve real-world problems. The main product includes Hand tools, Power tools and Electronic tools

#### **Gardex India Pvt. Ltd.**

Gardex India Pvt. Ltd. was founded in the year 1997. It is into integrated manufacturing and branding ideal drop, press and roll forging techniques. It is one of the largest manufacturer of striking tools and steel files in the world.

#### **JK Files and Engineering**

JK Files & Engineering Limited is a subsidiary of Raymond Ltd. It is one of the largest manufacturer of steel files with presence in over 55 countries. The product includes files, cutting tools, hand tools, power tools and power tool accessories.

Particulars (Rs. Crores)	FY21	FY20
Revenue	355	384
EBITDA	46	36
<i>EBITDA Margin (%)</i>	<i>13</i>	<i>9</i>

PAT	24	12
<i>PAT Margin (%)</i>	7	3

Source: Ace Equity

#### Taparia Tools Ltd.

Taparia Tools started manufacturing hand tools in 1969 in India in technical collaboration with a reputed company of Sweden. The company has a well laid out fully equipped factory located at Nashik. All the manufacturing facilities required for production of hand tools are under one roof – one location. Hand tools manufacturing is complicated involving high technology and labor intensive production process. The products include pliers, testers, screwdrivers, tool sets, sockets, torwue wrenches etc.

Particulars (Rs. Crores)	FY21	FY20
Revenue	538	475
EBITDA	66	43
<i>EBITDA Margin (%)</i>	12	9
PAT	48	31
<i>PAT Margin (%)</i>	9	7

Source: Annual Report

#### Venus Industrial Corporation Ltd.

Venus Industrial was established in the year 1969 with only 2 drop forged hammers. Currently they manufacture around 2 lakh pcs. Of hand tools daily in their manufacturing facilities. The products includes pliers, plumbing tools, spanners, wrenches, sockets, measuring tapes, lubrication tools etc.

Particulars (Rs. Crores)	FY19	FY18
Revenue	289	268
EBITDA	6	14
<i>EBITDA Margin (%)</i>	2	5
PAT	-1	3
<i>PAT Margin (%)</i>	0	1

Source: Ace Equity

### COLLABORATIONS / JOINT VENTURES

As on the date of this Prospectus, our Company has not entered into any collaboration or Joint venture.

### HUMAN RESOURCE

We believe that our employees are the key to the success of our business and our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. As on November 30, 2022, we have the total strength of 92 full-time employees in various departments.

Sr. No.	Department	No. of full time employees
1.	Key Managerial Personnels	3
2.	Sales and Marketing	13
3.	Human Resource	2
4.	Accounts	6
5.	Admin	12
6.	Warehouse Management	56
	<b>Total</b>	<b>92</b>

### INTELLECTUAL PROPERTY

The Company has applied for registration of following trademark under the Trade Marks Acts, 1999:

Description	Trademark Number / Application Registration Certificate Number	Class(es)	Date of Application	Validity
	4035930	Class 6	December 24, 2018	10 years
	4035931	Class 7	December 24, 2018	10 years
	4035932	Class 8	December 24, 2018	10 years
DE-NEERS	3569468	Class 6	June 13, 2017	10 years
	3569467	Class 7	June 13, 2017	10 years
	3569466	Class 8	June 12, 2017	10 years

## INSURANCE

Our operations are subject to various risks inherent in our industry. We have obtained general insurance cover from HDFC General Insurance Company Limited for coverage against fire, burglary, house breaking and also terrorism and earthquake for our stocks.

## PROPERTIES

Following Properties are owned or taken on lease or licensed by our company:

Sr. No.	Owner	Address	Leased / Owned	Date of Agreement	Purpose
1.	Mr. Neeraj Kumar Aggarwal and Mrs. Shilpy Aggarwal	Property No. 468, FIE, Patparganj Industrial Area, Delhi-110092, India	Leased for a period of 10 year	July 27, 2021	Registered Office
2.	M/s Munjal Steels	Plot No. 8A, Site IV, Sahibabad Industrial Area, Ghaziabad-201010, Uttar Pradesh, India	Leased for a period of 1 year	October 22, 2022	Main Warehouse and Dispatch Center
3.	M/s. Elegant Cars Private Limited	206 FIE Patparganj Industrial Area, Delhi-110096	Leased for a period of 10 years	September 17, 2020	Warehouse
4.	Mr. Subash Chander	Property No. 487, Basement, F.I.E, Patparganj Industrial Area, New Delhi-110092, India	Leased for a period of 10 year	July 27, 2021	Warehouse
5.	Mrs. Shilpy Aggarwal	Property No.3728, First Floor, Katra Dhoomimal, Churiwalan, Chawri Bazar, Delhi-110006.	Leased for a period of 10 year	July 27, 2021	Branch Office

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Statutory Approvals” on page 146.*

Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:

### BUSINESS RELATED REGULATION

#### **DELHI SHOPS AND ESTABLISHMENTS ACT, 1954**

The objective of the Act is to regulate the working and employment conditions of worker employed in shops and establishments including commercial establishments. The Act generally provides for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

The Act also provides for registration for shops and establishments. However, the requirement of registration has been kept in abeyance since 1989.

#### **LEGAL METROLOGY ACT, 2009 (“LEGAL METROLOGY ACT”)**

The Legal Metrology Act, 2009 came into effect on January 14, 2010 and has repealed and replaced the Standard of Weights and Measures Act, 1976 and the Standards of weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The Legal Metrology Act, inter alia, provides for: (a) approval of model of weight or measure; (b) verification of prescribed weight or measure by Government approved Test Centre; (c) exempting regulation of weight or measure or other goods meant for export; (d) nomination of a Director by a company who will be responsible for complying with the provisions of the enactment; (e) empowering the Central Government to make rules for enforcing the provisions of the enactment; and (f) penalty for offences and compounding of offences.

#### **LAWS RELATING TO SALE OF GOODS**

The Sale of Goods Act, 1930 (the “Sale of Goods Act”) governs contracts relating to sale of goods in India. The Contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

#### **INDUSTRIAL (DEVELOPMENT AND REGULATION) ACT, 1951**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial

Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as —Micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees; —Small enterprise, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a Medium enterprise , where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, —Micro Enterprise , where the investment in equipment does not exceed ten lakh rupees, —Small Enterprise where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or — Medium Enterprise where the investment in equipment is more than two crore rupees but does not exceed five crore rupee.

## **LAWS RELATING TO EMPLOYMENT AND LABOUR**

### **MINIMUM WAGES ACT, 1948**

This Act aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organized. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. The Act contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

### **THE PAYMENT OF WAGES ACT, 1936**

The Payment of Wages Act, 1936 ("PW Act") is applicable to the payment of wages to persons in factories and other establishments. PW Act ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

### **PAYMENT OF GRATUITY ACT, 1972**

The Payment of Gratuity Act, 1972 ("Act") was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal Lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity." The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

### **PAYMENT OF BONUS ACT, 1965**

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual Return in the prescribed form (Form D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

### **CHILD LABOUR (PROHIBITION AND REGULATION) ACT, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA**”) is an act to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It also applies to every contractor who employs or who employed on any day of the preceding 12 (twelve) months, 20 (twenty) or more workmen provided that the appropriate Government may after giving not less than 2 (two) months’ notice, by notification in the Official Gazette, apply the provisions of the CLRA to any establishment or contractor. Further, it contains provisions regarding Central and State Advisory Board under the CLRA, registration of establishments, and prohibition of employment of contract labour in any process, operation or other work in any establishment by the notification from the State Board, licensing of contractors and welfare and health of the contract labour. The Contract Labour (Regulation and Abolition) Central Rules, 1971 are formulated to carry out the purpose of the CLRA.

### **EQUAL REMUNERATION ACT, 1976**

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention of discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

### **WORKMEN’S COMPENSATION ACT 1923**

This Act came into force on April 01, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his willful disobedience of an order expressly given to him, or a willful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

### **THE EMPLOYEES PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952**

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees’ Provident Fund Schemes, 1952;
- (b) The Employees’ Pension Scheme, 1995; and
- (c) The Employees’ Deposit-Linked Insurance Scheme; 1976.

The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.

### **EMPLOYEES STATE INSURANCE ACT, 1948**

The promulgation of Employees' State Insurance Act, 1948 (ESI Act), by the Parliament was the first major legislation on social Security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multi-dimensional Social Security system, when the country's economy was in a very fledgling state was obviously a

remarkable gesture towards the socio-economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions.

### **MATERNITY BENEFIT ACT, 1961**

Maternity Benefit Act, as amended from time to time (“MB Act”) entitles a woman employee who has been in employment with the employer for eighty (80) days in the twelve (12) months immediately preceding her delivery to maternity leave of twelve (12) weeks, of which not more than six (6) weeks can precede the date of her delivery. The MB Act further provides for (i) paid leave of six (6) weeks for miscarriage or medical termination of pregnancy; (ii) paid leave of two (2) weeks following the date of tubectomy operation; (iii) one (1) month’s paid leave on account of any illness occurred after pregnancy, delivery, miscarriage, medical termination of pregnancy or tubectomy operation; and (iv) medical bonus of Rs.3,500 (Rupees three thousand five hundred) from the employer if no pre-natal confinement or post-natal care is provided by the employer free of charge. The Lok Sabha passed the Maternity Benefit (Amendment) Act, 2016 (“Amendment”), which has received presidential assent and was came into force with effect from March 28, 2017. The Amendment has increased paid maternity leave from twelve (12) weeks to twenty six (26) weeks for women having two surviving children and provides for twelve (12) weeks maternity leave for women having more than two children. The Amendment also provides for paid leave of twelve (12) weeks for commissioning mothers (in case of surrogacy) and adopting mothers who legally adopt a child below the age of three (3) months. The Amendment also codified a ‘work from home’ option for women after the period of maternity leave depending on the nature of work and on certain mutually agreed terms and conditions between the employer and the woman. The Amendment mandates employers employing more than fifty (50) employees in an establishment to provide crèche facilities where women are allowed to visit four times in a day.

### **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (“SHWW ACT”)**

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favour or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

## **INTELLECTUAL PROPERTY LAWS**

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

### **TRADEMARKS ACT, 1999**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### **COPYRIGHT ACT, 1957**

The Copyright Act, 1957 protects literary and dramatic works, musical works, artistic works including maps and technical drawings, photographs and audio-visual works (cinematograph films and video).

## **PATENTS ACT, 1970**

The Patents Act, 1970 (the "Patents Act") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognise product patents as well as process patents. In addition to the broad requirement that an invention, a patent has to satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection. The Patents Act stipulates that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is twenty (20) years from the date of filing of the application for the patent.

## **TAXATION & DUTY LAWS**

### **THE CENTRAL GOODS AND SERVICES TAX ACT, 2017**

The Government of India proposed a comprehensive national goods and services tax ("GST") regime that would combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received presidential assent on September 8, 2016, enabled the Government of India and State Government to introduce GST. Accordingly, GST was enacted to make a provision for levy and collection of tax on supply of goods or services or both and was made effective from July 1, 2017. GST is a destination based tax levied on supply of goods and services. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the Government of that State. For inter-State transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST will be levied on all stages of the supply chain till the final sale to consumers, providing ITC the supply chain. There will be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods and services.

### **INCOME TAX ACT, 1961**

The government of India imposes an income tax on taxable income of all *persons* including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

## **IN GENERAL**

### **THE COMPANIES ACT, 2013**

The Companies Act, 2013 ("CA 2013") has been introduced to replace the existing Companies Act, 1956 in a phased manner. The CA 2013 primarily regulates the formation, financing, functioning and winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

### **THE INDIAN CONTRACT ACT, 1872**

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

### **BUREAU OF INDIAN STANDARDS ACT, 2016 (“BIS ACT”)**

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the development of activities of standardization, conformity assessment and quality certification of goods, articles, processes, systems and services. The BIS Act provides for the functions of the BIS which includes, among others (a) to publish, establish, promote and review Indian standards; (b) to adopt as Indian standard, any standard, established by any other institution in India or elsewhere, in relation to goods, articles, processes, systems or services; (c) to carry out functions necessary for promotion, monitoring and management of the quality of goods, articles, processes, systems and services and to protect the interests of consumers and other stake holders; and (d) undertake, support and promote research necessary for formulation of Indian standards. The BIS Act empowers the Central Government to order compulsory use of standard mark for any goods or article if it finds it expedient to do so in public interest, national security, protection of human, animal or plant health, safety of environment or prevention of unfair trade practices. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### **THE CONSUMER PROTECTION ACT, 1986**

The Consumer Protection Act (“COPRA”) aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The COPRA provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The COPRA provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### **THE TRANSFER OF PROPERTY ACT, 1882**

The Transfer of Property Act, 1882 (“TP Act”) as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

### **THE ARBITRATION AND CONCILIATION ACT, 2015**

The Arbitration and Conciliation Act (“Arbitration Act”) was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

### **NEGOTIABLE INSTRUMENTS ACT, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **FOREIGN EXCHANGE AND MANAGEMENT ACT, 1999 (“FEMA”)**

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act, 1999 (“FEMA”) and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion (“DIPP”). The Reserve Bank of India (“RBI”), in exercise of its powers under FEMA, has notified various regulations governing

the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the 'automatic route' within the specified sectoral caps.

### **COMPETITION ACT, 2002**

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act. The prima facie duty of the Competition Commission of India ("Commission") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interests of consumers and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may extend to Rs.100,000 for each day during such failure subject to maximum of Rs.10,000,000, as the Commission may determine.

### **INFORMATION TECHNOLOGY, 2000**

The Information Technology, 2000 is an act to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "electronic commerce", which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the Government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers' Books Evidence Act, 1891 and the Reserve Bank of India Act, 1934 and for matters connected therewith or incidental thereto. Where any law provides that information or any other matter shall be authenticated by affixing the signature or any document shall be signed or bear the signature of any person (hen, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied, if such information or matter is authenticated by means of digital signature affixed in such manner as may be prescribed by the Central Government. Penalty for damage to computer, computer system and failure to furnish information return, etc., shall be to pay damages by way of compensation not exceeding one crore rupees to the person so affected and not exceeding one lakh and fifty thousand rupees for each such failure respectively.

### **OTHER LAWS**

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Industrial Disputes Act, 1947 ("ID Act")
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Central Rules, 1971 (Contract Labour Rules)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961



## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was formed on July 26, 2021 as a public limited company under the Companies Act, 2013 pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Delhi NCR. Prior to being converted into a company, our company was a limited liability partnership in the name of *De Neers Tools LLP* which was formed on March 20, 2018. Also, on June 17, 2021, *De Neers Tools LLP* took over the business of *M/s Deewan Chand Madanlal & Sons* on going concern basis. Lastly, on July 26, 2021 *De Neers Tools LLP* was converted into *De Neers Tools Limited*. The Corporate Identity Number of our Company is U29309DL2021PLC384229.

Mr. Neeraj Kumar Aggarwal, Mr. Kanav Gupta, Mrs. Shilpy Aggarwal, Mrs. Deepali Aggarwal, Ms. Riya Aggarwal, Mr. Manoj Gupta and Mrs. Anju Gupta were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled "*Our Business*", "*Industry Overview*", "*Our Management*", "*Financial information of the Company*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 92, 75, 113, 134 and 137 respectively.

### ADDRESS OF THE REGISTERED OFFICE AND CORPORATE OFFICE

<b>Registered Office</b>	P.No. 468, Ground Floor, Industrial Area Patparganj, East Delhi-110092 India
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### CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

There has been no change in the registered address of the Company since its incorporation.

### MAIN OBJECTS OF MEMORANDUM OF ASSOCIATION

1. To carry on the business of manufacture, trading Import, export, of all kinds of hardware and tools.
2. To carry on the business of manufacture, process, trade, repair, fabricate, buy, sell, exchange, stock, import, export, assemble, distribute, contract, repairing, branding, packaging, job work, commission agents and deal in Machinery and plant of every description and kind and in particular machine tools and implements, and to manufacture, produce, repair, alter, convert, recondition, prepare for sale, buy, sell hire, import, export, let on hire, trade and deal in machine tools and implement, plant equipments, article, apparatus, appliances, components, parts, accessories, fitting and things in any stage or degree of manufacture, process, trade or refinement.
3. To carry on the business of manufacturers, processors, assemblers, buyers, sellers, importers, exporters, traders, agents, distributors, suppliers repairing, branding, packaging, job work, commission agents and dealers in all kinds of hardware, tools, spare parts such as nails, bolt, screws, nut, mallet, screwdriver, wrench, adjustable wrench, pipe wrench, linemen's pliers, Chainsaw, electric drill, tool box and other tools use in motor cars, lorries, vans, motor-cycles, cycle-cars, motors, scooters, and other vehicles of all description whether propelled or assisted by means of petrol, spirit, steam, gas, electrical, or other power, engines, chassis, bodies, other parts and components, accessories and all machinery, implements, utensils, appliances, apparatuses, lubricants, solutions, enamels and all things capable of being used for, in, or in connection with the manufacture and trading of motors or other vehicles and other things or in the construction of any track or surface adapted for the use thereof.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

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

Date of Meeting	Type of Meeting	Amendments
November 01, 2021	EGM	Creation of Authorized Preference Share Capital of Rs. 10,00,00,000.
January 10, 2022	EGM	Increase in Authorized Preference Share Capital from Rs. 10,00,00,000 to Rs. 20,00,00,000 and Authorized Equity Share Capital from Rs. 15,00,000 to Rs. 3,00,00,000.
March 25, 2022	EGM	Revision in rate of preference dividend from 01% p.a. to 0.01% p.a.
October 18, 2022	EGM	Increase in Authorized Equity Share Capital to Rs. 3,00,00,000 from Rs. 10,00,00,000

At present our authorized Preference Share Capital is Rs. 20,00,00,000 and Authorized Equity Share Capital is Rs. 10,00,00,000.

#### ADOPTING NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company was originally incorporated on July 26, 2021 under the provisions of the Companies Act, 2013. Since then the Articles of Association were modified only once in the Extraordinary General Meeting held on November 01, 2021.

#### MAJOR EVENTS AND MILESTONES OF OUR COMPANY

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

Year/F.Y.	Key Events / Milestone / Achievements
2021-22	Incorporation of our Company as “De Neers Tools Limited” under the Companies Act, 2013 on July 26, 2021.

#### OTHER DETAILS ABOUT OUR COMPANY

For details of our Company’s activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 92, 137 and 69 respectively. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 113 and 49 respectively.

#### CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 49.

For a description of our Company’s debt facilities, refer “*Statement of Financial Indebtedness*” on page 135.

#### LOCK-OUT OR STRIKES

There have been no lock-outs or strikes in our Company since inception.

#### CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Prospectus.

#### OUR HOLDING COMPANY

As on the date of the Red Herring Prospectus, our Company is not a subsidiary of any company.

## OUR SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES

Our company does not have any subsidiary or associate or joint venture. For details in relation to Our Group Companies, please refer to the chapter titled “*Our Promoter and Promoter Group*” and “*Our Group Entities*” beginning on page 126 and 131 respectively.

## ACCUMULATED PROFITS OR LOSSES

As on the date of this Prospectus, there are no accumulated profits or losses of Our Subsidiaries, Associates, and Joint Ventures that have not been accounted for or consolidated by our Company.

## OTHER CONFIRMATIONS

As on the date of this Prospectus, there is neither Listed nor unlisted Subsidiaries, Associates, and Joint Ventures Companies. Further, our company has not made any public issue (including any rights issue to the public) in the preceding three financial years. The Companies is neither a sick Company nor is under winding up. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Companies.

## DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS etc.

We have not acquired any business/undertaking in the last 10 years. Further, there are no mergers, amalgamation, and revaluation of assets etc. with respect to our company in the said period.

## INJUNCTION OR RESTRAINING ORDER

Except as disclosed in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 144, there are no injunctions/restraining orders that have been passed against our Company.

## NUMBER OF SHAREHOLDERS OF OUR COMPANY

Our Company has Ten (10) Equity shareholders and Two (2) Preference Shareholders as on the date of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 49.

## CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “*Our Management*” on page 113.

## SHAREHOLDERS AGREEMENTS

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Red Herring Prospectus.

## AGREEMENT WITH KEY MANAGERIAL PERSONNEL OR DIRECTORS OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## COLLABORATION AGREEMENTS

As on date of this Prospectus, Our Company is not a party to any collaboration agreements.

## OTHER MATERIAL AGREEMENT

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

#### STRATEGIC OR FINANCIAL PARTNERS

Except as disclosed in this Prospectus, Our Company does not have any strategic or financial partners as on the date of this Prospectus.

#### TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up any manufacturing project by our Company.

#### DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Red Herring Prospectus.

#### OTHER AGREEMENTS

- i. **Non-Compete Agreement:** Our Company has not entered into any Non-competete Agreement as on the date of filing of this Prospectus.
- ii. **Joint Venture Agreement:** Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this Prospectus we have 6 (six) Directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus:

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment / Change in Current Designation	Other Directorships
1.	<p><b>Name:</b> Neeraj Kumar Aggarwal</p> <p><b>Age:</b> 48 years</p> <p><b>Father's Name:</b> Mr. Ramesh Kumar Aggarwal</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092 India</p> <p><b>Term:</b> 5 years</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 08058134</p>	<p>Initial Appointment on July 26, 2021</p> <p>Change in Designation as Managing Director on July 28, 2021</p>	Nil
2.	<p><b>Name:</b> Mr. Kanav Gupta</p> <p><b>Age:</b> 29 years</p> <p><b>Father's name:</b> Mr. Manoj Gupta</p> <p><b>Designation:</b> CFO, WTD</p> <p><b>Address:</b> House No. 143, Vikas Marg, Jagriti Enclave, Shakarpur, Baramad, Shakarpur, East Delhi, Delhi-110092</p> <p><b>Term:</b> Subject to Retire by Rotation</p> <p><b>Nationality:</b> Indian</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 06802701</p>	<p>Initial Appointment on July 26, 2021</p> <p>Change in designation as CFO and WTD on July 28, 2021</p>	Mahabir Tradeventures LLP
3.	<p><b>Name:</b> Mrs. Shilpy Aggarwal</p> <p><b>Age:</b> 46 years</p> <p><b>Father's Name:</b> Vijay Kumar Gupta</p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092 India</p>	<p>Initial Appointment on July 26, 2021</p> <p>Change in designation as Whole Time Director on July 28, 2021</p>	Nil

	<b>Term:</b> Subject to Retire by Rotation <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 08058135		
4.	<b>Name:</b> Aarti Arora <b>Age:</b> 51 <b>Father's name:</b> Ram Mohan Luthra <b>Designation:</b> Independent Director <b>Address:</b> F-5/12 1 <sup>st</sup> Floor, Near Naini Lake, Model Town II, Delhi-110009 <b>Term:</b> 5 Years <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 09573758	June 06, 2022	Nil
5.	<b>Name:</b> Dhikash <b>Age:</b> 34 <b>Father's name:</b> Balkishan <b>Designation:</b> Independent Director <b>Address:</b> Village Budhanpur Khalsa, Karnal, Indri, Haryana-132041 <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 07678926	June 06, 2022	Dhikash Mandhan Fitness Private Limited
6.	<b>Name:</b> Rajesh Gupta <b>Age:</b> 45 <b>Father's name:</b> Vinod Gupta <b>Designation:</b> Independent Director <b>Address:</b> 195 Jagriti Enclaves, Shakarpur, Delhi-110092 <b>Term:</b> 5 years <b>Nationality:</b> Indian <b>Occupation:</b> Business <b>DIN:</b> 03430497	June 06, 2022	Nil

## BRIEF BIOGRAPHIES OF OUR DIRECTORS



**Mr. Neeraj Kumar Aggarwal**, aged 48 years, is the Promoter and Managing Director of our Company. He completed his honours degree in Commerce from Shri Ram College of Commerce, Delhi University in 1994. Mr. Neeraj joined his family business early in his childhood and became an acclaimed name in the hand tools industry both by virtue of integrity and by scale of growth. With over 30 years of experience in the industry and with a vision to create high-end brand, Mr Neeraj formed 'Deneers'. In our company, Mr. Neeraj manages Business Development and procurement whilst meeting global standards and targeting to be a market leader.



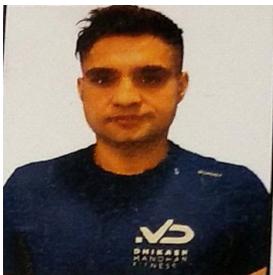
**Mr. Kanav Gupta**, aged 29 years, is the Chief Financial Officer and Whole Time Director of our company. He has completed his bachelor's in commerce from Delhi University. He further attended a course in strategic management from London School of Economics, UK. Mr. Kanav began widening his grass root industry view early in his career specifically focusing on tools industry. Three years later Deneers Tools was formed envisioning a quality hand tools brand. Mr. Kanav Gupta is having experience of 7 years in the industry of hand tools. Mr. Kanav is now managing Finance and all India sales, and is keen to make 'Deneers' a global name.



**Mrs. Shilpy Aggarwal** aged 46 years, is the Whole Time Director of our company. She has pursued her graduation from Anwar-ul-loom college, Hyderabad. Having an experience of more than 10 years, she is now looking after marketing and Human resource Management.



**Mrs. Aarti Arora**, aged 51 Years, is the Independent Director of our Company. She has completed her schooling from DPS Mathura Road Delhi. Currently working as a certified image coach and a soft skill trainer. She is a Certified Fashion designer and also holds certificate in Train the Trainer programme. Mrs. Aarti Arora having experience of 8 years in the fashion designing and soft skill development programmes.



**Mr. Dhikash**, aged 34 years, is the Independent director of our Company. After completing his schooling from Geeta International School (Kurukshetra) he pursued his Graduation in BCA from DAV College, Karnal. Currently he is a director in "Dhikash Mandhan Fitness Pvt Ltd", his own fitness academy with an experience of over 10 years. He has gained many certifications in BOSU, Ayurveda and TRX fitness Forms.



**Mr. Rajesh Gupta**, aged 45 Years, is the Independent Director of our Company. He has completed his schooling from Bharat National Public School Delhi and graduated in Bachelors of commerce from Delhi University. Currently running his family business of printing and publishing in the name and style of “Prabhat Publicity” since 1994. Mr. Rajesh Gupta has experience of 25 years in the printing and publishing.

#### RELATIONSHIP BETWEEN OUR DIRECTORS

Following are the relation between directors as per Companies Act and SEBI Regulations.

Name of Director	Designation	Relation
Mr. Neeraj Kumar Aggarwal	Promoter and Managing Director	Spouse of our Whole time Director Mrs. Shilpy Aggarwal
Mrs. Shilpy Aggarwal	Promoter and Whole Time Director	Spouse of our Managing Director Mr. Neeraj Kumar Aggarwal
Mr. Kanav Gupta	Promoter, Whole Time Director and Chief Financial Offer	Son of the sister of our Managing Director Mr. Neeraj Kumar Aggarwal

#### CONFIRMATIONS

As on the date of this Prospectus:

1. 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.
2. The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
3. None of the Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations.
4. None of our Directors have interest in any property acquired by our Company within two years of the date of this Prospectus.
5. 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.
6. 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.
7. None of the Promoter or Directors has been or is involved as a promoter 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.

#### REMUNERATION / COMPENSATION OF DIRECTORS

The Remuneration payable to the Directors from F.Y. 2022-23 onwards as resolved in the Extra-Ordinary General Meeting held on November 01, 2021 is stated hereunder:

**Mr. Neeraj Aggarwal:-** The total remuneration payable to Mr. Neeraj Aggarwal, Promoter and Managing Director, shall be a sum of Rs. 1.90 Lakhs per month with such increment or rectification as may the Board of Directors decide subject to a ceiling of Rs. 2.00 Lakhs per month.

**Mr. Kanav Gupta:-** The total remuneration payable to Mr. Kanav Gupta, Chief Financial Officer and Whole Time Director, shall be a sum of Rs. 0.50 Lakhs per month with such increment or rectification as may the Board of Directors decide subject to a ceiling of Rs. 1.00 Lakh per month.

**Mrs. Shilpy Aggarwal:-** The total remuneration payable to Mr. Shilpy Aggarwal, Whole Time Director, shall be a sum of Rs. 1.50 Lakhs per month with such increment or rectification as may the Board of Directors decide subject to a ceiling of Rs. 2.00 Lakhs per month.

No remuneration is paid to the Independent Directors.

Remuneration paid to the Directors during the previous F.Y. 2021 - 22 is as follows:

Sr. No.	Name	Designation	Remuneration Paid
1.	Mr. Neeraj Aggarwal	Managing Director	15,20,000/-
2.	Mr. Kanav Gupta	Whole Time Director and Chief Financial Officer	4,00,000/-
3.	Mrs. Shilpy Aggarwal	Whole Time Director	12,00,000/-

Our Company has not paid and will not be paying any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Pursuant to the resolution passed by the Board of Directors of our Company on 06<sup>th</sup> June 2022, the independent directors of our Company would be entitled to a sitting fee of Rs. 1,500/- for attending every meeting of Board and Rs. 1,000/- for attending every committee meeting.

#### SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares.

The following table details the shareholding of our Directors as on the date of this Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre-Issue Equity Capital	% of Post Issue Equity Capital
1.	Neeraj Kumar Aggarwal	17,30,700	27.34%	20.11%
2.	Kanav Gupta	15,38,400	24.30%	17.87%
3.	Shilpy Aggarwal	17,30,700	27.34%	20.11%

#### INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of interest paid on any loan or advances provided to our company, any Body Corporate including companies and firms and trusts, in which they are interested as directors, members, partners or trustees.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any.

Except as stated in the chapter “*Our Management*” and ‘*Financial Information*’ beginning on page 114 and 134 respectively and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Book Running Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

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.

Other than Mr. Neeraj Kumar Aggarwal, Mr. Kanav Gupta and Mrs. Shilpy Aggarwal, who are our Promoters and are interested as disclosed in “*Promoters and Promoter Group*” on page 126, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as disclosed in this Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration, interest on loan, lease rent for vehicles and reimbursement of expenses for services rendered as Directors and/or as Key Management Personnel.

No loans have been availed by our Directors from our Company.

#### PROPERTY INTEREST

Except as stated/referred to in the heading titled “*Land & Properties*” mentioned in the chapter “*Our Business*” beginning on 92, our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

#### CHANGES IN OUR BOARD OF DIRECTORS

The Changes in the Board of Directors of our Company in the three years preceding the date of this Prospectus are as follows:

Name	Date of event	Nature of event	Reason
Mr. Rajesh Gupta	June 06, 2022	Appointment as Non-Executive Director later changed to Independent Director in the AGM	Composition of Board and Committee
Mr. Dhikash	June 06, 2022	Appointment as Independent Director	Composition of Board and Committee
Mrs. Aarti Arora	June 06, 2022	Appointment as Independent Director	Composition of Board and Committee
Mr. Neeraj Kumar Aggarwal	July 28, 2021	Appointment as Managing Director	Composition of Board
Mr. Kanav Gupta	July 28, 2021	Appointment as CFO and Whole Time Director	Composition of Board
Ms. Shilpy Aggarwal	July 28, 2021	Appointment as Whole Time Director	Composition of Board

#### BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra-Ordinary General Meeting of our Company held on 10<sup>th</sup> January 2022, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money

on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 100 Crores.

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on Stock Exchange and shall be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including SEBI LODR Regulations, SEBI ICDR Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. 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 Prospectus, our Company has Six (6) Directors, One (1) is Managing Director, Two (2) are Executive Directors and Two (2) are Independent Directors.

### Committees of the Board

In addition to the committees of our Board detailed below, our Board may from time to time, constitute committees for various functions.

Following are the details of various committees of the Board:

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

#### A) *Audit Committee*

The Audit Committee (the "Committee") has constituted by the Board of Directors at their meeting held on 06<sup>th</sup>, June 2022 in accordance with the Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of board and its powers) Rule, 2014.

#### **Composition of Audit Committee:**

Name of the Director	Status	Nature of Directorship
Mrs. Aarti Arora	Chairman	Independent Director
Mr. Dhikash	Member	Independent Director
Mr. Neeraj Kumar Aggarwal	Member	Managing Director

The Company Secretary of the Company acts as the Secretary to the Audit committee.

#### **Meeting of the Audit Committee and relevant quorum**

1. 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.
2. The quorum for meetings of the committee shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.
3. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

#### **The scope of Audit Committee shall include but shall not be restricted to the following:**

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
6. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
7. Formulation of a policy on related party transactions, which shall include materiality of related party transactions and making of omnibus approval of related party transactions;
8. Reviewing, with the management, the annual financial statements and auditors report thereon 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;
  - vii. Modified opinion(s) in the draft audit report;
9. Reviewing, with the management, the quarterly, half yearly and Annual financial statements before submission to the Board for approval;
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
11. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
12. Approval or any subsequent modification of transactions of the listed entity with related parties includes omnibus approval for related parties transactions subject to conditions as specified under rules;
13. Scrutiny of inter-corporate loans and investments;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Evaluation of internal financial controls and risk management systems;
16. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
17. 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;
18. Discussion with internal auditors of any significant findings and follow up there on;
19. 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;
20. 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;
21. 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;
22. To oversee and review the functioning of the vigil mechanism pursuant the provisions of Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with sub-section 9 and 10 of Section 177 of the Companies Act, 2013, which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;
23. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
24. To investigate any other matters referred to by the Board of Directors;
25. Carrying out any other function as is mentioned in the terms of reference of the audit Committee;
26. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs.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;
27. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The Audit Committee enjoys following powers:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- 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 Chief 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 ICDR Regulations. (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 ICDR 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.

The Chairman of the committee has to attend the Annual General Meetings of the Company to clarifications on matters relating to the audit.

**B) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has constituted by the Board of Directors at their meeting held on 06<sup>th</sup> June 2022, in accordance with the Section 178 of the Companies Act 2013.

**Composition of Nomination and Remuneration Committee**

Name of the Director	Status	Nature of Directorship
Mrs. Aarti Arora	Chairman	Independent Director
Mr. Dhikash	Member	Independent Director
Mr. Rajesh Gupta	Member	Independent Director

The Company Secretary of our Company acts as the Secretary to the Committee.

**Meeting of Nomination and Remuneration Committee and Relevant Quorum**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a Nomination and Remuneration Committee either two members or one-third of the members of the committee, whichever is greater.

**Role of Nomination and Remuneration Committee are:**

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:
  - a. Use the services of an external agencies, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of 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;
7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
8. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

### **C) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has constituted by the Board of Directors at their meeting held on 06<sup>th</sup> June 2022, in accordance with the Section 178(5) of the Companies Act 2013.

#### **Composition of Stakeholders Relationship Committee**

<b>Name of the Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
Mrs. Aarti Arora	Chairman	Independent Director
Mr. Dhikash	Member	Independent Director
Mr. Rajesh Gupta	Member	Independent Director

The Company Secretary of the Company will act as the Secretary of the Committee.

#### **Meetings of the Stakeholders Relationship Committee**

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting shall be two members present.

#### **SCOPE OF THE STAKEHOLDERS RELATIONSHIP COMMITTEE**

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by the registrar and share transfer agent and to recommend measures for overall improvement in the quality of investor services;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- Formulate procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- Approve, register, refuse to register transfer or transmission of shares and other securities;

- Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allotment and listing of shares;
- Authorise affixation of common seal of the Company;
- Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- Dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Advising for giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- 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;
- Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s); and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

#### **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 exchanges. Further, Board of Directors have formulated and adopt 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.

#### **KEY MANAGERIAL PERSONNEL**

The details of the Key Management Personnel, as per Companies Act, of our Company are as follows:

##### **MANAGING DIRECTOR:**

**Mr. Neeraj Kumar Aggarwal**, aged 48 years, is the promoter and co-founder of the company. He is acting as the Managing Director of our Company. He has completed his honours degree in Commerce from Shri Ram College of Commerce, Delhi University in 1994. Mr. Neeraj joined his family business early in his childhood and became an extraordinary acclaimed name in the hand tools industry both by virtue of integrity and by scale of growth. With over 30 years of experience in the industry and with a vision to create high-end brand, Mr. Neeraj formed 'De Neers'. In our company, Mr. Neeraj manages business development and procurement whilst meeting global standards and targeting to be a market leader.

##### **CHIEF FINANCIAL OFFICER:**

**Mr. Kanav Gupta**, aged 29 years, is the promoter and co-founder of the company. He is the Chief Financial Officer and the Whole-Time Director of our company. He has completed his Bachelor's degree in Commerce from Delhi University. He further attended a short course in strategic management from London School of Economics, United Kingdom. Mr. Kanav began widening his grass root industry view early on in his career specifically focusing on tools industry. Three years later De Neers tool was formed envisioning a quality hand tools brand. He is having 6 years of experience in the hand tools industry. Mr. Kanav is now managing Finance and all India sales and is keen to make De Neers a global name.

##### **COMPANY SECRETARY & COMPLIANCE OFFICER:**

**Ms. Nisha Shaw**, aged 27 years, is the Company Secretary and compliance officer of our Company. She is an 'associate' member of Institute of Companies Secretaries of India (ICSI). She has also completed her bachelor's degree in law from Indraprastha Law College and has the experience of more than 3 Years in corporate laws,

securities laws and corporate governance. Ms. Nisha has joined our company with effect from 29<sup>th</sup> September 2022.

#### RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Following are the relation between Key Managerial Personnel as per Companies Act and SEBI Regulations

Name of Director	Designation	Relation
Mr. Neeraj Kumar Aggarwal	Promoter and Managing Director	Brother of Mother of Chief Financial Offer Mr. Kanav Gupta
Mr. Kanav Gupta	Promoter, Whole Time Director and Chief Financial Offer	Son of Sister of Managing Director Mr. Neeraj Kumar Aggarwal
Ms. Nisha Shaw	Company Secretary and Compliance Officer	NA

#### FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL

There is no relationship between Key Managerial Personnel of our Company with other Directors except as described below;

Name of Director	Designation	Relation
Mr. Neeraj Kumar Aggarwal	Promoter and Managing Director	Spouse of our Whole time Director - Mrs. Shilpy Aggarwal
Mrs. Shilpy Aggarwal	Promoter and Whole Time Director	Spouse of our Managing Director – Mr. Neeraj Kumar Aggarwal
Mr. Kanav Gupta	Promoter and Whole Time Director and Chief Financial Offer	Son of Sister of Managing Director Mr. Neeraj Kumar Aggarwal

#### SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

None of the KMPs hold any Equity shares of our Company as on the date of this Prospectus except the following:

Sr. No.	Name of the KMP	No. of Equity Shares held
1.	Neeraj Kumar Aggarwal	17,30,700
2.	Kanav Gupta	15,38,400
3.	Ms. Nisha Shaw	Nil

#### BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

#### LOANS TO KEY MANAGERIAL PERSONNEL

No loans and advances have been given to the Key Managerial Personnel as on the date of this Prospectus.

## INTEREST OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any.

Except as disclosed in this Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration, reimbursement of expenses.

Our Key Managerial Personnel have no interest in any property owned by our Company in two years prior to the date of this Prospectus.

## CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS

The changes in the key managerial personnel in the last three years are as follows:

Name of Key Managerial Personnel	Designation	Date of event	Reason
Mr. Neeraj Kumar Aggarwal	Appointment as Managing Director	July 28, 2021	Composition of Board
Mr. Kanav Gupta	Appointment as Chief Financial Officer and Whole Time Director	July 28, 2021	Composition of Board
Ms. Shilpy Aggarwal	Appointment as Whole Time Director	July 28, 2021	Composition of Board
Mr. Yuvraj	Company Secretary and Compliance Officer	December 01, 2021	Appointment as per requirement
Mr. Yuvraj	Company Secretary and Compliance Officer	March 31, 2022	Resignation
Ms. Nisha Shaw	Company Secretary and Compliance Officer	September 29, 2022	Appointment as per requirement

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

## ESOP/ESPS SCHEME TO EMPLOYEES

Presently, our company does not have any ESOP/ESPS Scheme for employees.

## PAYMENT OR BENEFIT TO OUR OFFICERS

Except as disclosed in the heading titled “Related Party Disclosure” in the section titled “*Financial Statements*” beginning on page 134, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.”

## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTERS

1. Mr. Neeraj Kumar Aggarwal
2. Mrs. Shilpy Aggarwal
3. Mr. Kanav Gupta

### DETAILS OF OUR PROMOTERS

#### 1. Mr. Neeraj Kumar Aggarwal

Particulars	Details
	<p><b>Mr. Neeraj Kumar Aggarwal</b>, aged 48 years, is the Promoters and Managing Director of our Company. He has completed his Honours degree in Commerce from Shri Ram Lal College of Commerce, Delhi University in the year 1994. Mr. Neeraj has joined his family business early on in his childhood and continued to be an extraordinary acclaimed name in Handtools industry both by virtue of their integrity and by scale of their growth. With over 30 years of experience in industry and with a vision to commence a quality and high end brand, Mr. Neeraj formed De Neers. He now manages Business Development and procurement whilst meeting global standard and targeting to be a market leader.</p>
<b>Permanent Account Number</b>	AAAPA2406L
<b>Date of Birth</b>	July 31, 1974
<b>Nationality</b>	Indian
<b>Residential Address</b>	E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092 India

#### 2. Mrs. Shilpy Aggarwal

Particulars	Details
	<p><b>Mrs. Shilpy Aggarwal</b>, aged 46 years, is the Promoters and Co-Founder of our company. She has pursued her graduation from Anwar-ul-loom college, Hyderabad. She has experience of more than 10 years, she is now looking after Marketing and Human Resources.</p>
<b>Permanent Account Number</b>	AAGPA4440A
<b>Date of Birth</b>	August 30, 1976
<b>Nationality</b>	Indian
<b>Residential Address</b>	E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092 India

### 3. Mr. Kanav Gupta

Particulars	Details
	<b>Mr. Kanav Gupta</b> , aged 27 years, is the Promoters and Co-Founder of our company. He is a CFO and Whole Time Director of the company also. He has completed his Bachelors in Commerce degree from Delhi University. He further attended a short course in strategic management from London School of Economics in UK. Mr. Kanav began widening his grass root industry view early on in his career specifically focusing on tools industry. Three years later De neers tool was formed envisioning a quality hand tools brand. Mr. Kanav Gupta is having experience of 7 years in the industry of hand tools Mr. Kanav is now managing Finance and all India sales and is keen to make De Neers a global name.
<b>Permanent Account Number</b>	BDSPG4846C
<b>Date of Birth</b>	March 22, 1994
<b>Nationality</b>	Indian
<b>Residential Address</b>	House No. 143, Vikas Marg, Jagriti Enclave, Shakarpur, Baramad, Shakarpur, East Delhi -110092 India

#### DECLARATION

1. Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number of the Promoters will be submitted to the Stock Exchange, where the securities of our Company are proposed to be listed at the time of submission of this Prospectus.
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 is or was associated as a promoters, 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.
5. Our Promoters is not and has never been a promoters, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

#### 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 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 113.

#### INTEREST OF THE 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 49, 134 and 113 respectively.

Except as stated otherwise in this Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 134.

#### ***Interest of Promoters in the Promotion of our Company***

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

#### ***Interest of Promoters 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 101 and 134 respectively, of this Prospectus, our Promoters has confirmed that she does not have any interest in any property acquired by our Company within three years preceding the date of this Prospectus or proposed to be acquired by our Company as on the date of this Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 92 our Promoters does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery

#### ***Interest in our Company arising out of being a member of a firm or company***

Our Promoters is not interested as member of a firm or company where any sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

#### ***Interest in our Company other than as Promoters***

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 92, 109, 113 and 134, respectively, our Promoters does not have any other interest in our Company.

### **COMMON PURSUITS OF OUR PROMOTERS**

Our Promoters is not involved with any ventures which are in the same line of activity or business as that of our Company.

### **PAYMENTS 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 134, there has been no payment of benefits to our Promoters or Promoter group during the two years preceding the date of this Prospectus.

### **MATERIAL GUARANTEES**

Except as stated in the “*Restated Financial Statements*” beginning on page 134, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

### **OUR PROMOTER GROUP**

Our Promoter group in terms of Regulation 2(1)( pp) of SEBI (ICDR) Regulations includes the following persons:

- a) **Natural persons who are part of our Individual Promoter group:**

The natural persons who are part of our Promoter group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Sr. No.	Relationship	Mr. Neeraj Kumar Aggarwal	Mrs. Shilpy Aggarwal	Mr Kanav Gupta
1.	Father	Mr. Ramesh Kumar Aggarwal	Mr. Vijay Gupta	Mr. Manoj Gupta
2.	Mother	Mrs. Neelam Aggarwal	Mrs. Shashi Gupta	Mrs. Anju Gupta
3.	Spouse	Mrs. Shilpy Aggarwal	Mr. Neeraj Kumar Aggarwal	Ms. Arsha Singh Gupta
4.	Brother	-----	Mr. Param Gupta	-----
5.	Sister	Mrs. Anju Gupta	-----	Mr. Bhanu Garg
6.	Children	Mrs. Deepali Aggarwal, Mrs. Riya Aggarwal, Mr. Shivansh Aggarwal		-----
7.	Spouse Father	Mr. Vijay Gupta	Mr. Ramesh Kumar Aggarwal	Mr. Shish Pal Singh
8.	Spouse Mother	Mrs. Shashi Gupta	Mrs. Neelam Aggarwal	Mrs. Mamta Singh
9.	Spouse Brother	Mr. Param Gupta	-----	Mrs. Akshansh Thakur
10	Spouse Sister	-----	Mrs. Anju Gupta	-----

**b) Companies related to our Promoters Company:**

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoters Company	NA*
Any Body corporate in which promoters (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoters (Body Corporate).	NA*
Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer.	NA*

\*Our company does not have any promoters company.

**c) Companies, Proprietary concerns, HUF's related to our promoters**

Relationship with promoters	Name of Entities
Any Body Corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relative is a member	<ol style="list-style-type: none"> <li>Gulmohur Gran Limited</li> <li>Mahabir Tradeventures LLP</li> </ol>

Any Body Corporate in which a company (mentioned above) holds 20% of the total holding	Nil
Any HUF or firm in which the aggregate share of the promoters and his immediate relatives is equal to or more than 20% of the total holding	1.) M/s Mahabir Enterprises LLP 2.) M/s Buy & Buy Retailing 3.) M/s Neeraj Kumar Aggarwal HUF 4.) M/s Ramesh Kumar Aggarwal HUF 5.) M/s Manoj Gupta & Sons HUF

For further details on our Group Entities refer Chapter titles “*Our Group Entities*” beginning on page no. 131.

#### DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any of the companies/partnership firms during preceding three years except as follows:-

Sr. No.	Name of the Promoters	Name of Concern	Date of Disassociation	Reason
I.	Mr. Neeraj Kumar Aggarwal	Nil	Nil	-
II.	Mr. Kanav Gupta	Nil	Nil	-
III.	Mrs. Shilpy Aggarwal	Nil	Nil	-

#### 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 23 and 144 respectively.

#### RELATED PARTY TRANSACTIONS

Except as disclosed in the “*Restated Financial Statements*” beginning on page 134, our Company has not entered into any related party transactions with our Promoters.

## OUR GROUP ENTITIES

The definition of ‘Group Companies’ as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) 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. However, we have included partnership firms and proprietorships also in the list of ‘Group Entities’.

Our Group Entities include:

1. Those entities 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.
2. All such entities which are deemed to be material by the Board of Directors.

Our Group entities as on the date of Red Herring Prospectus are ranked below in terms of their turnover:

1. Ramesh Kumar Aggarwal- HUF
2. Neeraj Kumar Aggarwal- HUF

**The top- group entities as per their respective turnover are as follows-**

### 1. Ramesh Kumar Aggarwal-HUF

The PAN of the Karta of the HUF is AAAPA2406L. The office of the HUF is situated at E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092.

#### **Business of Ramesh Kumar Aggarwal HUF :-**

The business of the HUF is providing loan on Interest and such other allied activities.

#### **Financial Performance**

The brief financial details of Ramesh Kumar Aggarwal HUF derived from its computation of Income Tax Returns for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. In lacs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Gross Total Income	9.82	9.43	16.32
Deductions Under Chapter VIA	1.56	1.53	1.52
Total Income	8.25	7.89	14.79
Tax Payable / (Refund)	0.07	(1.57)	NIL

#### **Karta of the HUF**

After the demise of Late Sh. Ramesh Kumar Aggarwal, our promoter Mr. Neeraj Kumar Aggarwal became the Karta of Ramesh Kumar Aggarwal HUF.

#### **Nature and extent of interest of our Promoters**

Our Promoter, Mr. Neeraj Kumar Aggarwal holds 100% interest in Ramesh Kumar Aggarwal HUF.

#### **Other Confirmations**

- a) The HUF is neither a sick firm nor is under insolvency.
- b) There are no defaults in meeting any statutory/bank/institutional dues.
- c) No proceedings have been initiated for economic offences against the HUF.

### 2. Neeraj Kumar Aggarwal HUF

The PAN of the Karta of the HUF is AAAPA2406L. The office of the HUF is situated at E-88, Block-E, Preet Vihar, Shakarpur New Delhi-110092.

**Business of Neeraj Kumar Aggarwal HUF :-**

The business of the HUF is providing loan on Interest and such other allied activities.

**Financial Performance**

The brief financial details of Neeraj Kumar Aggarwal-HUF derived from its computation of Income Tax Statement for Fiscals 2022, 2021 and 2020 are set forth below:

(Rs. In lacs)

Audited Financial Information	For the Year Ended		
	March 31,2022	March 31, 2021	March 31,2020
Gross Total Income	8.59	10.76	16.37
Deductions Under Chapter VIA	1.56	1.52	1.55
Total Income	7.03	9.24	14.82
Tax Payable / (Refund)	0.06	(228440)	(1.55)

**Karta of the HUF**

The Karta of Neeraj Kumar Aggarwal HUF is our Promoter Mr. Neeraj Kumar Aggarwal as on the date of this Prospectus.

**Nature and extent of interest of our Promoter**

Our Promoter, Mr. Neeraj Kumar Aggarwal holds 100% interest in Neeraj Kumar Aggarwal HUF.

**Other Confirmations**

- a) The HUF is neither a sick HUF nor is under insolvency.
- b) There are no defaults in meeting any statutory/bank/institutional dues.
- c) No proceedings have been initiated for economic offences against the HUF.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous 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.

There are no dividends declared by our Company since incorporation.

Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.



**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

Sr. No.	Particulars	Page No.
1	Restated Financial Statements	F-1 to F-33

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## RESTATED FINANCIAL STATEMENTS

### 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,  
De Neers Tools Limited

Dear Sir,

We have examined the attached Restated Audited Financial Information of De Neers Tools Limited (*hereinafter referred as "the Company"*) which was incorporated pursuant to conversion of "De Neers Tools LLP" (*erstwhile LLP*) comprising the Restated Audited Statement of Assets and Liabilities as at 31st October 2022, 31st March 2022, 25th July 2021, 31st March 2021 & 31st March 2020, the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for stub period ended on 31st October 2022 & 25th July 2021 and Financial year ended 31st March 2022, 31st March 2021 & 31st March 2020, 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 22nd November 2022 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 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, NCT of Delhi & Haryana, New Delhi in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the stub period ended on October 31, 2022 & July 25, 2021 and for the financial year ended March 31, 2022, March 31, 2021 & March 31, 2020 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 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited Financial Statement for the stub period ended on 31st October 2022, July 25, 2021 & for financial year ended March 31, 2022, March 31, 2021 & March 31, 2020 prepared in accordance with the Accounting Principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates.

For the purpose of our examination, we have relied on:

Auditors' Report issued by us i.e. M/s Gautam Sehgal & Co. (the "Statutory Auditors") dated 14th November 2022, 12th July 2021, 31st August 2022, 12th July 2021 and 30th November 2020 for the Stub Period ended on 31st October 2022, 25th July 2021 & Financial year ended 31st March 2022, 31st March 2021 & 31st March 2020 respectively.

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 Oct 31, 2022, March 31, 2022, July 25, 2021, March 31, 2021 & March 31, 2020 :-

- 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 us for financial Year Ended March 31, 2022, 2021, 2020 and stub period 31st October 2022, 25th July 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 but has made provision of the same.
- j. 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 year 2018-19.

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 Stub Period Ended on Oct 31, 2022 & July 25, 2021 & Financial Year Ended March 31, 2022, 2021 and 2020 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 Stub Period Ended on Oct 31, 2022 & July 25, 2021 & Financial Year Ended March 31, 2022, 2021 and 2020 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 Stub Period Ended on Oct 31, 2022 & July 25, 2021 & Financial Year Ended March 31, 2022, 2021 and 2020 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.

Audit for the stub period ended on October 31, 2022, July 25, 2021 & financial year ended on March 31, 2022, 2021 and 2020 was conducted by us, Gautam Sehgal & Co. and accordingly reliance has been placed on the said financial statements.

These Restated Financial Statements are in continuation of the previously issued Restated Financial Statements dated November 22, 2022. These Restated Financial Statements contains updated information only in Annexure VII due to the discovery of Issue Price in the Board Meeting dated May 05 2023.

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 Stub Period Ended on Oct 31, 2022 & July 25, 2021 & Financial Year Ended March 31, 2022, 2021 and 2020 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

Restated Statement of Share Capital, Reserves And Surplus	Annexure – I.1 & Annexure – I.2
Restated Statement of Long Term Borrowing	Annexure – I.3
Restated Statement of Other Non-Current Liabilities	Annexure – I.4
Restated Statement of Short Term Borrowing	Annexure – I.5
Restated Statement of Trade Payables	Annexure – I.6
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure – I.7 & Annexure – I.8
Restated Statement of Fixed Assets	Annexure – I.9
Restated Statement of Deferred Tax Assets	Annexure – I.10
Restated Statement of Other Non-Current Assets	Annexure – I.11
Restated Statement of Inventories	Annexure – I.12
Restated Statement of Trade Receivables	Annexure – I.13
Restated Statement of Cash & Cash Equivalents	Annexure – I.14
Restated Statement of Short Term Loans & Advances	Annexure – I.15
Restated Statement of Other Current Assets	Annexure – I.16
Restated Statement of Revenue from Operations	Annexure – II.1
Restated Statement of Other Income	Annexure – II.2
Restated Statement of Purchase of Stock-in-trade	Annexure – II.3
Restated Statement of Change in Inventories of Finished Goods	Annexure – II.4
Restated Statement of Employee Benefit Expenses	Annexure – II.5
Restated Statement of Finance Cost	Annexure – II.6
Restated Statement of Depreciation & Amortisation	Annexure – II.7
Restated Statement of Other Expenses	Annexure – II.8
Restated Statement of Deferred Tax Asset / Liabilities	Annexure – II.9
Restated Statement of Cash Flow Statements	Annexure – III

Corporate Information, Significant Accounting Policies, Reconciliation of Net Profit/(Loss) and Reconciliation of Networth	Annexure – IV
Material Adjustment to the Restated Financial Restated Statement of Tax shelter	Annexure – V
Restated Statement of Capitalization	Annexure – VI
Restated Statement of Contingent Liabilities	Annexure – VII
Restated Statement of Financial Indebtedness	Annexure – VIII
Restated statement of Related Party Transaction	Annexure – IX
Restated statement of Accounting Ratios (Other financial information)	Annexure – X
	Annexure – XI

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 – IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. Gautam Sehgal & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

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 – I to X of this report read with the respective Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the 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 Gautam Sehgal & Co.**  
Chartered Accountants  
FRN: 015736N

Sd/-  
**Gautam Sehgal**  
Partner  
M.No: 095938  
**UDIN :**  
**23095938BGXCPC9112**

**Date:** May 05, 2023  
**Place:** Delhi

ANNEXURE – I: RESTATED STATEMENT OF ASSETS AND LIABILITIES							
(Rs. in Lakhs)							
Sr. No.	Particulars	Note No.	As at October 31, 2022	As at March 31, 2022	As at July 25, 2021	As at March 31, 2021	As at March 31, 2020
<b>A.</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders' Funds</b>						
	Share Capital	<b>I.1</b>	2633.00	1728.00	3.00	3.00	3.00
	Reserves & Surplus	<b>I.2</b>	411.13	654.27	1396.87	317.42	701.24
	<b>Share application money pending allotment</b>						
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long-Term Borrowings	<b>I.3</b>	2406.42	2435.85	426.06	1147.84	484.58
	Other Non-Current Liabilities	<b>I.4</b>	3.81	3.81	0.00	0.00	0.00
	Deferred Tax Liabilities	<b>I.10</b>					
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	<b>I.5</b>	2102.16	1208.41	1193.60	1022.05	869.34
	Trade Payables	<b>I.6</b>	4464.51	3555.14	3157.96	3575.56	3471.34
	Other Current Liabilities	<b>I.7</b>	381.88	150.05	481.93	16.92	22.17
	Short Term Provisions	<b>I.8</b>	155.23	197.99	5.07	28.49	18.77
	<b>Total</b>		<b>12558.14</b>	<b>9933.52</b>	<b>6664.49</b>	<b>6111.28</b>	<b>5570.44</b>
<b>B.</b>	<b>Assets</b>						
<b>1</b>	<b>Non-Current Assets</b>						
	<b>Property, Plant &amp; Equipments</b>						
	Tangible Assets	<b>I.9</b>	178.11	182.15	70.68	59.37	41.80
	Intangible Assets						
	Capital Work In Progress						
	Non-Current Investments						
	Deferred Tax Assets	<b>I.10</b>	11.58	10.47	5.49	4.45	2.41
	Long Term Loans & Advances						
	Other Non-Current Assets	<b>I.11</b>	42.71	18.41	17.55	19.15	4.38
<b>2</b>	<b>Current Assets</b>						
	Investments						
	Inventories	<b>I.12</b>	6585.70	5394.30	3126.81	2675.21	1329.19
	Trade Receivables	<b>I.13</b>	4490.63	3473.58	3237.16	2989.90	4010.30
	Cash and Cash Equivalents	<b>I.14</b>	8.28	126.51	13.01	73.21	35.04
	Short-Term Loans and Advances	<b>I.15</b>	686.46	318.92	7.32	45.76	56.25
	Other Current Assets	<b>I.16</b>	554.66	409.19	186.48	244.24	91.09
	<b>Total</b>		<b>12558.14</b>	<b>9933.52</b>	<b>6664.50</b>	<b>6111.28</b>	<b>5570.44</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 IV, II, III.							
<b>For M/s Gautam Sehgal &amp; Co.</b> Chartered Accountants FRN: 015736N		For and on behalf of the Board of Directors					
Sd/- <b>Gautam Sehgal</b> Partner		Sd/- <b>Neeraj Kumar Aggarwal</b> Managing Director		Sd/- <b>Shilpy Aggarwal</b> Whole Time Director			

M.No: 095938

DIN: 08058134

DIN: 08058135

**UDIN : 23095938BGXCPC9112**

**Date:** May 05, 2023

**Place:** Delhi

Sd/-

**Nisha Shaw**

Company Secretary and  
Compliance Officer

Sd/-

**Kanav Gupta**

Whole Time Director and Chief  
Financial Officer  
DIN: 06802701

ANNEXURE – II: RESTATED STATEMENT OF PROFIT AND LOSS							
(Rs. in Lakhs)							
Sr. No	Particulars	Note No.	For the Period from 1st April 2022 to 31st October 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	For The Year Ended 31st March	
						2021	2020
<b>A.</b>	<b>Revenue:</b>						
	Revenue from Operations	<b>II.1</b>	5602.27	6019.04	1879.68	6211.77	7349.60
	Other income	<b>II.2</b>	0.38	109.96	0.00	0.00	0.02
	<b>Total revenue</b>		<b>5602.65</b>	<b>6129.00</b>	<b>1879.68</b>	<b>6211.77</b>	<b>7349.62</b>
<b>B.</b>	<b>Expenses:</b>						
	Purchase of Stock in Trade	<b>II.3</b>	5630.07	7084.65	2130.55	6922.30	6122.80
	Changes in Inventories of Finished Goods	<b>II.4</b>	(1191.40)	(2267.50)	(451.60)	(1346.02)	633.69
	Employees Benefit Expenses	<b>II.5</b>	160.31	196.66	37.55	107.37	136.24
	Finance costs	<b>II.6</b>	101.77	70.03	32.84	143.14	99.25
	Depreciation and Amortization	<b>II.7</b>	37.05	33.76	7.92	18.64	13.44
	Other expenses	<b>II.8</b>	312.02	318.86	107.95	271.82	283.91
	<b>Total Expenses</b>		<b>5049.82</b>	<b>5436.47</b>	<b>1865.23</b>	<b>6117.26</b>	<b>7289.32</b>
	<b>Profit/(Loss) before exceptional items and tax</b>		<b>552.82</b>	<b>692.53</b>	<b>14.46</b>	<b>94.51</b>	<b>60.30</b>
	Exceptional Items						
	<b>Profit before tax</b>		<b>552.82</b>	<b>692.53</b>	<b>14.46</b>	<b>94.51</b>	<b>60.30</b>
	<b>Tax expense:</b>						
	Current tax		154.91	197.65	5.07	28.49	18.77
	Prior Period IT *		12.04	0.66	5.21	2.29	
	Deferred Tax	<b>II.9</b>	(1.11)	(4.98)	(1.04)	(2.04)	(2.41)
	<b>Profit/(Loss) for the period/ year</b>		<b>386.98</b>	<b>499.21</b>	<b>5.22</b>	<b>65.77</b>	<b>43.94</b>
	<b>Earning per equity share in Rs.:</b>						
	(1) Basic*		6.11	7.89	0.08	1.04	0.69
	(2) Diluted		6.11	7.89	0.08	1.04	0.69
<p><b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets &amp; liabilities and cash flows appearing in Annexure IV, I, III.</p> <p>Note : Prior Period IT is difference between provision for income tax on companies in restated financials and actual tax payment in audited financials.</p> <p>* The Company has issued bonus equity shares of Rs. 6,30,00,000 which is in the ratio 210:1 to existing equity shareholders on October 27, 2022.</p>							
For M/s Gautam Sehgal & Co. Chartered Accountants				For and on behalf of the Board of Directors			

FRN: 015736N

Sd/-

**Gautam Sehgal**

Partner

M.No: 095938

**UDIN : 23095938BGXCPC9112**

Sd/-

**Neeraj Kumar Aggarwal**

Managing Director

DIN: 08058134

Sd/-

**Shilpy Aggarwal**

Whole Time Director

DIN: 08058135

**Date:** May 05, 2023

**Place:** Delhi

Sd/-

**Nisha Shaw**

Company Secretary and

Compliance Officer

Sd/-

**Kanav Gupta**

Whole Time Director and Chief

Financial Officer

DIN: 06802701

ANNEXURE – III: RESTATED STATEMENT OF CASH FLOWS					
(Rs. in Lakhs)					
Particulars	For the Period from 1st April 2022 to 31st October 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at March 31, 2021	As at March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/ (Loss) before tax	552.82	692.53	14.46	94.51	60.30
Adjustments for:					
Depreciation	37.05	33.76	7.92	18.64	13.44
Prov for Grauity		3.81			
Loss on sale of FA		0.30			
Interest Expense	101.77	70.03	32.84	143.14	99.25
<b>Operating profit before working capital changes</b>	691.64	800.43	55.22	256.30	172.99
Movements in working capital :					
(Increase)/ Decrease in Inventories	(1191.39)	(2267.50)	(451.60)	(1346.02)	633.69
(Increase)/Decrease in Trade Receivables	(1017.06)	(236.42)	(247.26)	1020.40	(1729.56)
(Increase)/Decrease in Other Current Assets/ Non Current Assets	(146.62)	(224.49)	57.40	(149.43)	209.93
(Increase)/Decrease in Short Term Loans & Advances	(392.54)	(260.60)	21.44	6.61	46.29
Increase/(Decrease) in Trade Payables	909.37	397.18	(417.60)	104.22	35.32
Increase/(Decrease) in Other Current Liabilities	231.83	(331.89)	465.02	(5.25)	(4.02)
<b>Cash generated from operations</b>	(914.78)	(2123.28)	(517.39)	(113.16)	(635.37)
Income tax paid during the year /period	(183.70)	(54.76)	(16.33)	(20.90)	(21.02)
<b>Net cash from operating activities (A)</b>	(1098.47)	(2178.04)	(533.72)	(134.06)	(656.38)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of Fixed Assets	(33.01)	(145.53)	(19.24)	(36.22)	(37.58)
(Increase)/Decrease in Long Term Loans & Advances					
(Increase)/Decrease in Other Non Current Assets	(24.30)	(0.86)	1.60	(14.78)	(4.38)
<b>Net cash from investing activities (B)</b>	(57.31)	(146.39)	(17.64)	(51.00)	(41.96)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest paid on borrowings	(101.77)	(70.03)	(32.84)	(143.14)	(99.25)
Proceeds/(Repayment) of Borrowings	864.31	782.96	(550.23)	815.97	897.62
Proceeds/(Repayment) of Share Capital/Partners Capital	275.00	1725.00	1074.24	(449.60)	(78.43)
<b>Net cash from financing activities (C)</b>	1037.55	2437.94	491.17	223.23	719.95
<b>Net increase in cash and cash equivalents (A+B+C)</b>	(118.23)	113.50	(60.20)	38.17	21.61
<b>Cash and cash equivalents at the beginning of the year</b>	126.51	13.01	73.21	35.04	13.43
<b>Cash and cash equivalents at the end of the year</b>	8.28	126.51	13.01	73.21	35.04
<b>Cash and cash equivalents Comprises of:</b>					
<b>Cash in Hand</b>	1.50	33.65	6.49	4.24	9.44
<b>Cash at Bank</b>	6.78	92.86	6.52	68.96	25.60

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II.

For **M/s Gautam Sehgal & Co.**  
Chartered Accountants  
FRN: 015736N

For and on behalf of the Board of Directors

Sd/-  
**Gautam Sehgal**  
Partner  
M.No: 095938  
**UDIN : 23095938BGXCPC9112**

Sd/-  
**Neeraj Kunar Aggarwal**  
Managing Director  
DIN: 08058134

Sd/-  
**Shilpy Aggarwal**  
Whole Time Director  
DIN: 08058135

**Date:** May 05, 2023  
**Place:** Delhi

Sd/-  
**Nisha Shaw**  
Company Secretary and  
Compliance Officer

Sd/-  
**Kanav Gupta**  
Whole Time Director and Chief  
Financial Officer  
DIN: 06802701

**CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH****A. COMPANY INFORMATION**

The Company was originally formed and registered as an LLP under the LLP Act, 2008 (“LLP Act”) in the name and style of “M/s. De Neers Tools LLP”, pursuant to a LLP agreement dated April 3, 2018. Subsequently, the constitution of LLP was changed on May 1, 2021 by admission of partners. “M/s. De Neers Tools LLP” was thereafter converted from an LLP to a public limited company under Part I chapter XXI of the Companies Act, 2013 in the name of “De Neers Tools Limited” and received a certificate of incorporation dated July 26, 2021 from the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

The Business Undertaking of M/s Dewan Chand Madan Lal & Sons, on a going concern basis by means of a “slump sale”, for a lump sum consideration by M/s De Neers Tools LLP was taken up of Rs. 4,53,00,000 (Rupees Four Crores and Fifty Three Lakhs only) on 17th June 2021.

The company is engaged in the business of trading, import, export of all kinds of hardware and tools. The company sells its products under its own brand “DENEERS”.

**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 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 and impairment losses, if any. 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**

Inventories consist ostock-in-trade are valued at Cost or Net Realizable Value, whichever is lower.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **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.

## **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 is primarily engaged in trading of hardware & tools which constitutes a single business segment. 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. Post Employment Benefits:**

The Company has provided provision for Gratuity based on actuarial report.

### **4. 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 Oct 31, 2022 except as mentioned in Annexure-VIII, for any of the years covered by the statements.

### **5. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – X of the enclosed financial statements.

### **6. Accounting For Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

## **7. 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:

*(Rs. In Lakhs)*

Particulars	For the Period from 1st April 2022 to 31st Oct 2022	As at March 31, 2022	For the Period from 1st April 2021 to 25th July 2021	As at March 31, 2021	As at March 31, 2020
(A) Net Profits as per audited financial statements (A)	395.92	488.47	12.46	68.14	45.66
<b>Add/(Less) : Adjustments on account of -</b>					
3) Difference on Account of Change in Deferred Tax	(1.63)	0.67	1.04	2.04	2.41
4) Difference on Account of Change in rate of provision of income tax	(0.02)	12.04	0.66	5.21	2.28
5) Difference on Account of Change in Depreciation Method	4.76	(1.32)	(3.73)	(7.33)	(6.41)
6) Prior Period Item	(12.04)	(0.66)	(5.21)	(2.29)	
<b>Total Adjustments (B)</b>	<b>(8.94)</b>	<b>10.73</b>	<b>(7.24)</b>	<b>(2.37)</b>	<b>(1.72)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>386.98</b>	<b>499.21</b>	<b>5.22</b>	<b>65.77</b>	<b>43.94</b>

**3. Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:**

**i) Difference on Account of Change in Deferred Tax:**

Deferred Tax Assets recognized in 1st accounting year on Timing Difference due to Preliminary expenses has been reversed in succeeding accounting year which has not been done in audited financial Statements.

**ii) Difference on Account of Change in Method of Depreciation:**

Since LLP is converted into company w.e.f. July 26, 2021, So that all the depreciation charged for earlier period has been restated as per the Method Provided in Schedule II.

**4. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:**

**a. Material Regrouping:**

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

ANNEXURE - I.1: Restated Statement of Share Capital, Reserves & Surplus Restated Statement of mPartners Capital Account					
(Rs. in Lakhs)					
Particulars	As at 31st October 2022	As at 31st March 2022	As At July 25, 2021	As at 31st March	
				2021	2020
<b>Shareholders Fund</b>					
(A) Partner's Fixed Capital		3.00	3.00	3.00	3.00
(B) Partner's Capital Account					

Opening Balance		1396.87	317.42	701.24	739.76
Add : Fresh Capital Introduced during the year			1218.70	525.52	149.08
Less : Capital Withdrawn during the year			(144.46)	(975.12)	(279.24)
Add : Remuneration/Salary					47.70
Add: Interest on Partners Capital					
Add : Share of Profit from the firm			5.22	65.77	43.94
Less: Adjustment due to change in method of Depreciation		-19.73			
Less : Deferred Tax Assets upto 25.07.21		5.49			
Less: Adjustment due to change in method of Provision for tax		0.66			
Less: Capital Converted into Equity during the Period		3.00			
Less: Transferred to Reserve		168.81			
Less : Capital Converted into Loan during the Period		1241.64			
<b>Total</b>		<b>0.00</b>	<b>1396.87</b>	<b>317.42</b>	<b>701.24</b>

Annexure I.1.2 Restated Statement of Share Capital Account					
<i>(Rs. in Lakhs)</i>					
Particulars	As at 31st October 2022	As at 31st March 2022	As At July 25, 2021	As at 31st March	
				2021	2020
<b>Share Capital</b>					
<b>Authorized Capital</b>					
1,00,00,000 Equity Shares of Rs. 10 Each (315,00,000 Equity Shares of Rs 10 each)	1000.00	315.00	0.00	0.00	0.00
20,00,000 Preference Shares of Rs. 100 Each	2000.00	2000.00			
<b>Issued and Paid up Capital</b>					
63,30,000 Equity Shares of Rs. 10 Each * (30,000 Equity Shares of Rs. 10 Each)	633.00	3.00	0.00	0.00	0.00
20,00,000 Preference Shares of Rs. 100 Each Rs. 100 paid up (10 lacs Preference Shares of Rs. 100 each Rs. 100 paid up and 10 lacs Preference Shares of Rs. 100 each Rs. 72.5 paid up)	2000.00	1725.00			
<b>Total</b>	<b>2633.00</b>	<b>1728.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* The Company has issued bonus equity shares of Rs.6,30,00,000 which is in the ratio 210:1 to existing equity shareholders on October 27, 2022.

ANNEXURE - I.2 : Restated Statement of Share Capital, Reserves & Surplus					
<i>(Rs. In Lakhs)</i>					
Particulars	As at 31st October 2022	As at 31st March 2022	As At July 25, 2021	As at 31st March	
				2021	2020
<b>Surplus</b>					
Opening Balance	654.27	168.81			
Add : Adjustment due to change in method of Depreciation		-19.73			
Add : Deferred Tax Assets upto 25.07.21		5.49			
Add: Adjustment due to change in method of Provision for tax		0.66			
Add : Profit for the year	386.98	499.21			
Less : Preference Dividend	0.12	0.17			
Less : Bonus Issue	630.00				
Closing Balance	411.13	654.27			

<b>Total</b>	<b>411.13</b>	<b>654.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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I.1.3 Details of Shareholding more than 5% of the aggregate shares in the company										
Name of Shareholder	31.10.2022		31.03.2022		25.07.2021		31.03.2021		31.03.2020	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Mr. Neeraj Kumar Aggarwal	1,899,000	30.00	9,000	30.00	9000	30.00	10000	33.34	10000	33.34
Mrs. Kanav Gupta	1,688,000	26.68	8,000	26.68	8000	26.68	10000	33.33	10000	33.33
Mrs Shilpy Aggarwal	1,899,000	30.00	9,000	30.00	9000	30.00	10000	33.33	10000	33.33
<b>Total</b>	<b>5,486,000</b>	<b>86.68</b>	<b>26,000</b>	<b>86.68</b>	<b>26,000</b>	<b>86.68</b>	<b>30000</b>	<b>100.00</b>	<b>30000</b>	<b>100.00</b>

I.1.3 Details of Shareholding more than 5% of the aggregate Preference shares in the company										
Name of Shareholder	31.10.2022		31.03.2022		25.07.2021		31.03.2021		31.03.2020	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Sunstar Realty Development Ltd	1,000,000	50.00	1,000,000	50.00						
MK Goenka Construction Pvt Ltd	1,000,000	50.00	1,000,000	50.00						
<b>Total</b>	<b>2,000,000</b>	<b>100.00</b>	<b>2,000,000</b>	<b>100.00</b>						

A.1.3 Restated Standalone Statement of Reconciliation of Number of Equity Shares & Preference Shares					
Particulars	As at 31st Oct2022	As at 31st March 2022	As At July 25, 2021	As at 31st March	
				2021	2020
<b>Shareholders Fund (Equity)</b>					
<b>(A) Partner's Capital Account</b>					
Shares outstanding at the beginning of the Period	30,000	-			
Shares issued during the Period	6,300,000	30,000			
Share outstanding at the end of the Period	6,330,000	30,000			
<b>Shareholders Fund (Preference)</b>					
<b>(A) Partner's Capital Account</b>					
Shares outstanding at the beginning of the Period	2,000,000	-			
Shares issued during the Period	-	2,000,000			
Share outstanding at the end of the Period	2,000,000	2,000,000			
1) The Company has been formed from conversion of LLP into company vide a certificate of incorporation dated 26.07.2021. The company has been converted with paid up equity share capital of Rs. 3,00,000 divided into 30,000 equity shares of Rs. 10 each. After the conversion, company has made preferential allotment of Rs. 1,00,00,000 by issuing 10,00,000 Preference shares of Rs. 100 each, Rs. 100 paid up and Rs. 7,25,00,000 by issuing 10,00,000 Preference Shares of Rs. 100 Each, Rs. 72.50 paid up till 31.03.2022. Rs. 27.05 was paid on the said 10,00,000 Preference Shares as on Oct 31, 2022. The Company was incorporated through conversion of LLP & certificate of incorporation was issued on 26.th July 2021. Hence EPS, NAV per share for prior years may not display the true picture since the capital was fluctuating throughout the year.					
2) The rate of dividend on preference share is changed from 1% to 0.01% in Extra General Meeting on March 25, 2022.					

3) The status of the company up to July 25 2021 was LLP. For the purpose of Restated Financial Statements, the accounts of the partnership firm for the year ended on March 31 2020, 2021, and for the period ended on July 25, 2021 have been recast in accordance with the requirements of Schedule III of the Companies Act, 2013. Thus Share Capital disclosed for these years represents Partner's Capital in the LLP.

4) The above statements should be read with the significant accounting policies and notes to restated summary statements of assets & liabilities and statement of profit & loss appearing in Annexure IV, I, II III.

ANNEXURE – I.3: Restated Statement of Long Term Borrowings					
(Rs. in Lakhs)					
Particulars	As at 31st Oct 2022	As At 31st March	As At July 25	As at 31st March	
		2022	2021	2021	2020
<b>Secured</b>					
From Banks	164.67	230.19	230.20	258.60	0.00
<b>Unsecured Loans</b>					
From Banks					
From Related	2241.75	2205.66	195.86	538.50	387.12
From Others				350.73	97.46
<b>Total</b>	<b>2406.42</b>	<b>2435.85</b>	<b>426.06</b>	<b>1147.84</b>	<b>484.58</b>

**Note I.3.1** : 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 – 1.3.2: Statement of Principal Terms of Secured Loans and Assets Charged As Security					
Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on 31st Oct 2022 (as per Books)
HDFC Bank	Business	6.8	5	NA	87.07
HDFC Bank	Business	6.75	NA	NA	1953.49
HDFC Bank	Business	8.3	5	NA	8.90
HDFC Bank	Business	Floating rate	2.17	NA	193.08
<b>Total</b>					2242.54

**Note** : 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 – 1.3.3: Statement of Terms & Conditions of Unsecured Loans						
A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities						
Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on 31st Oct 2022 (as per Books)	
Neeraj Kumar Aggarwal	Business	NIL	On Demand	NIL	1466.68	
Kanav Gupta	Business	NIL	On Demand	NIL	274.61	
Shilpy Aggarwal	Business	NIL	On Demand	NIL	500.46	
<b>Sub Total</b>					<b>2241.75</b>	

ANNEXURE – I.4 : Non-Current Liabilities					
Particulars	As at 31st Oct 2022	As At 31st March	As At July 25	As at 31st March	
		2022	2021	2021	2020
Provision for Gratuity	3.81	3.81			
<b>Total</b>	<b>3.81</b>	<b>3.81</b>			

ANNEXURE – I.5 : Restated Statement of Short Term Borrowings					
(Rs. in Lakhs)					
Particulars	As at 31st Oct 2022	As at 31st March	As At July 25	As at 31st March	
				2021	2020

		2022	2021		
<b>Secured</b>					
Bank OD	1953.49	1070.54	1084.64	929.24	869.34
Current Maturities of Long Term Debt	148.67	137.88	108.96	92.81	
<b>Total</b>	<b>2102.16</b>	<b>1208.41</b>	<b>1193.60</b>	<b>1022.05</b>	<b>869.34</b>

**Note I.4.1** : 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 – I.10 : Restated Statement of Deferred Tax Liability/(Assets)					
(Rs. in Lakhs)					
Particulars	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	As at 31st March	
				2021	2020
<b>Deferred Tax Assets</b>					
Related to Bonus		3.30			
Related to Gratuity	1.06	1.06			
Related to Fixed Assets	10.52	6.11	5.49	4.45	2.41
<b>Total (a)</b>	<b>11.58</b>	<b>10.47</b>	<b>5.49</b>	<b>4.45</b>	<b>2.41</b>
<b>Deferred Tax Liability</b>					
Related to Fixed Assets					
<b>Total (b)</b>					
<b>Net deferred tax (asset)/liability{(b)-(a)}</b>					

**Note I.9.1** : 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 – I.6 : Restated Statement of Trade Payables					
(Rs. in Lakhs)					
Particulars	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	As at 31st March	
				2021	2020
Trade Payables due to					
- Micro and Small Enterprises	811.73	300.36	-	-	
<b>- Others</b>					
- Promotor/Promotor Group					
- Others*	3652.78	3254.77	3157.96	3575.56	3471.34
<b>Total</b>	<b>4464.51</b>	<b>3555.14</b>	<b>3157.96</b>	<b>3575.56</b>	<b>3471.34</b>

**Note I.6.1** : 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.

Note I.6.2 : We have not verified the trade payables of Micro and Small enterprises of stub period ended on 25th July 2021, and the financial year ended 31st March 2020 and 2021.

\*Trade Payable due to Others are subject to Third Party Confirmation.

ANNEXURE – I.6.A : Ageing Schedule of Trade Payables as at 31st October 2022					
(Rs. in Lakhs)					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	811.73				811.73
(ii) Others	3516.04	136.74	-	-	3652.78
(iii) Disputed Dues – MSME					
(iv) Disputed Dues – Others					
<b>Total</b>	<b>4327.77</b>	<b>136.74</b>	<b>0.00</b>	<b>0.00</b>	<b>4464.51</b>

ANNEXURE – I.7 : Restated Statement of Other current Liabilities					
(Rs. in Lakhs)					
Particulars				As at 31st March	

	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	2021	2020
Statutory Dues Payable	110.22	8.46	1.85	9.08	10.24
Expenses Payable	3.05	56.13	27.09	7.84	11.93
Other Payable	268.62	85.46	453.00		
<b>Grand Total</b>	<b>381.88</b>	<b>150.05</b>	<b>481.93</b>	<b>16.92</b>	<b>22.17</b>

**Note I.6.1** : 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 – I.8 : Restated Statement of Short Term Provisions					
<i>(Rs. in Lakhs)</i>					
Particulars	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	As at 31st March	
				2021	2020
Provision for Income Tax*	154.94	197.82	5.07	28.49	18.77
Provision for Dividend	0.29	0.17			
<b>Grand Total</b>	<b>155.23</b>	<b>197.99</b>	<b>5.07</b>	<b>28.49</b>	<b>18.77</b>

**Note I.7.1** : 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.

\* Provision for Income Tax is calculated in Statement of Tax Shelter considering the Allowance & Disallowance of Income & Expenditure in the Income Tax Return filed by the company

ANNEXURE – I.9: Restated Statement of Fixed Assets					
<i>(Rs. in Lakhs)</i>					
Particulars	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	As at 31st March	
				2021	2020
<b>Tangible Assets</b>					
<b>Furniture &amp; Fixtures</b>					
Gross Block at the beginning of the year	14.54	12.58	12.04	10.10	3.94
Additions during the year	0	1.96	0.54	0.89	6.16
Deletions during the year					
Total Gross Block at the End of the year	<b>14.54</b>	<b>14.54</b>	<b>12.58</b>	<b>10.99</b>	<b>10.10</b>
Less: Accumulated Depreciation	8.33	7.22	5.23	4.15	1.85
<b>Net Block</b>	<b>6.21</b>	<b>7.32</b>	<b>7.35</b>	<b>6.84</b>	<b>8.25</b>
<b>Office Equipment</b>					
Gross Block at the beginning of the year	41.33	39.72	39.23	22.36	2.83
Additions during the year	0.46	1.61	0.49	13.91	19.53
Deletions during the year					
Total Gross Block at the End of the year	<b>41.80</b>	<b>41.33</b>	<b>39.72</b>	<b>36.27</b>	<b>22.36</b>
Less: Accumulated Depreciation	33.31	30.39	22.26	16.78	7.88
<b>Net Block</b>	<b>8.49</b>	<b>10.95</b>	<b>17.46</b>	<b>19.49</b>	<b>14.47</b>
<b>Vehicles</b>					
Gross Block at the beginning of the year	197.13	70.05	70.05	14.69	14.69
Additions during the year	31.28	137.91	0.00	16.20	
Deletions during the year		10.84			
Total Gross Block at the End of the year	<b>228.41</b>	<b>197.13</b>	<b>70.05</b>	<b>30.88</b>	<b>14.69</b>
Less: Accumulated Depreciation	78.52	48.14	40.54	11.14	7.57
<b>Net Block</b>	<b>149.89</b>	<b>148.99</b>	<b>29.51</b>	<b>19.75</b>	<b>7.12</b>

<b>Computer</b>					
Gross Block at the beginning of the year	12.24	8.23	6.23	2.61	0.83
Additions during the year	0.27	4.01	1.99	1.73	1.78
Deletions during the year					
Total Gross Block at the End of the year	<b>12.51</b>	<b>12.24</b>	<b>8.23</b>	<b>4.34</b>	<b>2.61</b>
Less: Accumulated Depreciation	9.60	8.12	4.98	2.70	1.10
<b>Net Block</b>	<b>2.91</b>	<b>4.12</b>	<b>3.25</b>	<b>1.64</b>	<b>1.51</b>
<b>Plant &amp; Mach</b>					
Gross Block at the beginning of the year	19.11	19.07	18.88	10.77	0.65
Additions during the year	0.99	0.03	0.19	3.48	10.11
Deletions during the year					
Total Gross Block at the End of the year	<b>20.10</b>	<b>19.11</b>	<b>19.07</b>	<b>14.25</b>	<b>10.77</b>
Less: Accumulated Depreciation	9.49	8.34	5.96	2.60	0.32
<b>Net Block</b>	<b>10.61</b>	<b>10.77</b>	<b>13.12</b>	<b>11.65</b>	<b>10.45</b>
<b>Total Tangible Assets</b>	<b>178.11</b>	<b>182.15</b>	<b>70.68</b>	<b>59.37</b>	<b>41.80</b>
<b>Total Net Block at the end of the year</b>	<b>178.11</b>	<b>182.15</b>	<b>70.68</b>	<b>59.37</b>	<b>41.80</b>

**Note I.8.1** : 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.

\* All the Tangible assets has been physically verified and certified by the management

#### ANNEXURE – I.11: Restated Statement of Non-Current Assets

(Rs. in Lakhs)

Particulars	As at 31st Oct	As at 31st March	As At July 25	As at 31st March	
	2022	2022	2021	2021	2020
Security Deposits	42.71	18.41	17.55	19.15	4.38
<b>Total</b>	<b>42.71</b>	<b>18.41</b>	<b>17.55</b>	<b>19.15</b>	<b>4.38</b>

**Note I.11.1** : 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 – I.12: Restated Statement of Inventory

(Rs. in Lakhs)

Particulars	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	As at 31st March	
				2021	2020
(At cost or net realizable value, whichever is lower)					
Stock-in-trade including stock in transit	6585.70	5394.30	3126.81	2675.21	1329.19
<b>Total</b>	<b>6585.70</b>	<b>5394.30</b>	<b>3126.81</b>	<b>2675.21</b>	<b>1329.19</b>

**Note I.12.1** : 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.

\* Closing Stock of Stock in Trade is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period

#### ANNEXURE – I.13: Restated Statement of Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31st Oct 2022	As at 31st March 2022	As At July 25 2021	As at 31st March	
				2021	2020
<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	-		-	-	-
<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*	4490.63	3473.58	3237.16	2989.90	4010.30
<b>Total</b>	<b>4490.63</b>	<b>3473.58</b>	<b>3237.16</b>	<b>2989.90</b>	<b>4010.30</b>

**Note I.13.1** : 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.

\* Trade Receivables are subject to Third Party Confirmation.

**Note I.13.2 : Ageing schedule of Trade receivables as at 31st October 2022**

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6month s -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	3489.02	831.57	136.76	16.93	16.35	44903
(ii) Undisputed Trade Receivables - considered doubtful						
(iii) Disputed Trade Receivables - considered good						
(iv) Disputed Trade Receivables - considered doubtful						
<b>Total</b>	<b>3489.02</b>	<b>831.57</b>	<b>136.76</b>	<b>16.93</b>	<b>16.35</b>	<b>4490.63</b>

**ANNEXURE – I.14: Restated Statement of Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at 31st Oct	As at 31st March	As At July 25	As at 31st March	
	2022	2022	2021	2021	2020
<b>Cash &amp; Cash Equivalents</b>					
Cash in hand (As Certified by the management)	1.50	33.65	6.49	4.24	9.44
<b>Balances with Banks:</b>					
Current Accounts	6.78	92.86	6.52	68.96	25.60
<b>Total</b>	<b>8.28</b>	<b>126.51</b>	<b>13.01</b>	<b>73.21</b>	<b>35.04</b>

**Note I.14.1** : 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 – I.15: Restated Statement of Short Term Loans & Advances**

<i>(Rs. in Lakhs)</i>					
Particulars	As at 31st Oct	As at 31st March	As At July 25	As at 31st March	
	2022	2022	2021	2021	2020
Prepaid Expenses	1.99	3.46	4.32	2.32	
Advances to Others	658.47	264.45		26.44	35.25
Advance IT	26.00	51.00	3.00	17.00	21
<b>Total</b>	<b>686.46</b>	<b>318.92</b>	<b>7.32</b>	<b>45.76</b>	<b>56.25</b>

**Note I.15.1** : 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 – I.16: Restated Statement of Other Current assets					
<i>(Rs. in Lakhs)</i>					
Particulars	As at 31st Oct	As at 31st March	As At July 25	As at 31st March	
	2022	2022	2021	2021	2020
TDS/TCS Receivable	0.45	1.59	0.38	3.74	0.02
GST Input	554.22	407.59	186.10	240.50	91.07
<b>Total</b>	<b>554.66</b>	<b>409.19</b>	<b>186.48</b>	<b>244.24</b>	<b>91.09</b>

**Note I.16.1** : 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 – II.1: Restated Statement of Revenue from Operations					
<i>(Rs. in Lakhs)</i>					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at 31st March	
				2021	2020
<b>Turnover from the sale of Products</b>					
Domestic	5602.27	6018.00	1879.68	6211.77	7349.60
Export		1.04			
<b>Revenue from operations</b>	<b>5602.27</b>	<b>6019.04</b>	<b>1879.68</b>	<b>6211.77</b>	<b>7349.60</b>

**Note II.1.1** : 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 – II.2: Restated Statement of Other Income					
<i>(Rs. in Lakhs)</i>					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at 31st March	
				2021	2020
Other Incomes	0.38	4.02		0.00	0.02
Income - Stock correction*		105.94			

<b>Total</b>	<b>0.38</b>	<b>109.96</b>	<b>0.00</b>	<b>0.00</b>	<b>0.02</b>
<b>Note II.2.1</b> : 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.					
* <b>Note</b> - on 27th August 2021, The GST department had surveyed at the premises of the LLP which was converted into company. They had physically verified stock and cash . There was a variation of Rs. 1,05,93,982 on which the company had deposited Tax, Interest & Penalty. The assessment order of the same has been passed by deppt and the matter has been closed.					

<b>ANNEXURE – II.3: RESTATED STATEMENT OF PURCHASE OF STOCK-IN-TRADE</b>					
<i>(Rs. in Lakhs)</i>					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at 31st March	
				2021	2020
Stock-in-trade	5629.63	7084.65	2130.55	6922.30	6122.80
Import	0.44				
<b>Total</b>	<b>5630.07</b>	<b>7084.65</b>	<b>2130.55</b>	<b>6922.30</b>	<b>6122.80</b>

<b>ANNEXURE – II.4: RESTATED STATEMENT OF CHANGES IN INVENTORIES</b>					
<i>(Rs. in Lakhs)</i>					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at 31st March	
				2021	2020
Opening Stock					
Stock-in-trade	5394.30	3126.81	2675.21	1329.19	1962.87
Less : Closing Stock					
Stock-in-trade including stock in transit	6585.70	5394.30	3126.81	2675.21	1329.19
Net Change	<b>(1,191.40)</b>	<b>(2,267.50)</b>	<b>(451.60)</b>	<b>(1,346.02)</b>	<b>633.69</b>

<b>ANNEXURE – II.5: Restated Statement of Employee Benefit Expense</b>					
<i>(Rs. in Lakhs)</i>					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26th July 2021 to 31st March 2022	For the Period from 1st April 2021 to 25th July 2021	As at 31st March	
				2021	2020
Salaries & Wages	93.98	102.38	36.08	96.52	82.40
Director/Partners Remuneration	27.30	31.20			47.70
Bonus		16.07		3.40	3.08
ESI Expenses	1.49	1.74	0.38	0.96	0.78
Gratuity		3.81			
Provident Fund Expenses	4.08	4.76	0.79	2.99	0.24
Staff Welfare	4.04	36.70	0.31	1.86	2.04
Leave Encashment				1.65	
Other Allowances	29.42				
<b>Total</b>	<b>160.31</b>	<b>196.66</b>	<b>37.55</b>	<b>107.37</b>	<b>136.24</b>

**Note II.4.1** : 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 – II.6: Restated Statement of Finance Cost					
(Rs. in Lakhs)					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26 July 2021 to 31 March 2022	For the Period from 1st April 2021 to July 25 2021	As at March 31, 2021	As at March 31, 2020
Interest on Borrowings	101.70	67.50	32.84	143.14	99.25
Other Finance cost	0.07	2.53			
<b>Total</b>	<b>101.77</b>	<b>70.03</b>	<b>32.84</b>	<b>143.14</b>	<b>99.25</b>

**Note II.5.1** : 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 – II.7: Restated Statement of Depreciation & Amortization					
(Rs. in Lakhs)					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26 July 2021 to 31 March 2022	For the Period from 1st April 2021 to July 25 2021	As at March 31, 2021	As at March 31, 2020
Depreciation	37.05	33.76	7.92	18.64	13.44
<b>Total</b>	<b>37.05</b>	<b>33.76</b>	<b>7.92</b>	<b>18.64</b>	<b>13.44</b>

**Note II.6.1** : 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 – II.7: Restated Statement of Depreciation & Amortization					
(Rs. in Lakhs)					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period from 26 July 2021 to 31 March 2022	For the Period from 1st April 2021 to July 25 2021	As at March 31, 2021	As at March 31, 2020
Festival Expenses	0.02	0.02		0.26	1.87
Audit Fees				0.30	0.30
Advertisement Expenses	3.57	5.07	2.80	0.08	37.01
AMC Charges	0.34	0.37			
Bad Debts Written Off		1.06			
Travelling & Conveyance Expenses	13.63	8.97	5.22	3.88	12.52
Late Fees & Panalties	0.01		0.01	0.05	0.02
Power & Fuel Expenses	7.33	4.87	2.30	6.10	6.70
Membership & Subscription	0.28			0.10	0.49
Insurance Charges	7.83	5.13	1.72	0.58	0.36
Loss on Sale of FA		0.31			
Mobile & Telephone Exp.	0.56		0.16	0.73	0.79
Professional & Legal Charges	5.13	3.42	0.19	1.57	1.76
Repair & Maintenance	3.33	0.04	3.60	1.22	0.00
Rent Expenses	67.90	78.39	19.45	45.82	20.74
Commission Expenses	15.84	60.46	10.36	74.28	60.45
Other Selling & Distribution Expenses	1.61	0.05			
Office Expenses	19.47	3.90	0.18	1.50	2.45

Other Expenses	13.32	19.07			
Postage & Courier Expenses	2.24	1.93	3.03	4.74	4.23
Printing & Stationary	5.82	3.22	0.30	3.05	3.86
Tax Expenses	19.01	27.83		1.85	6.89
Rebate & Discount			0.13	0.15	0.17
Vehicle Running & Maintenance	2.26	2.51		0.99	1.01
Business Promotion Expenses	49.79	15.13	18.49	44.88	34.63
Freight & Cartage Expenses	14.70	16.83	3.59	13.14	10.13
Bank Charges	0.11		1.55	0.28	0.16
Interest Expenses			21.08	36.12	59.53
Misc Exp.	36.04	39.48			
Trade Mark Expenses					
Packing Expenses	21.88	20.80	13.79	30.18	17.85
Short & Excess			0.00		
<b>Total</b>	<b>312.02</b>	<b>318.86</b>	<b>107.95</b>	<b>271.82</b>	<b>283.91</b>

Note II.7.1 : 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 – II.9: Restated Statement of Deferred Tax (Assets)/Liabilities

Particulars	<i>(Rs. in Lakhs)</i>				
	For the Period Ended from 1st April 2022 to 31 <sup>st</sup> Oct 2022	For the Period Ended from 26th July 2021 to 31 <sup>st</sup> March 2022	For the Period from 1st April 2021 to 25 July 2021	As at 31st March, 2021	As at 31st March, 2020
WDV as per Companies Act, 2013 (A)	178.11	182.15	70.68	59.37	41.79
WDV as per Income tax Act, 1961 (B)	215.93	204.11	90.42	75.37	50.47
Difference in WDV (A-B)	(37.83)	(21.96)	(19.74)	(16.00)	(8.68)
Bonus	0.00	(11.85)	0.00	0.00	0.00
Gratuity	(3.81)	(3.81)	0.00	0.00	0.00
Deferred Tax (Asset) / Liability '(C)	(11.58)	(10.47)	(5.49)	(4.45)	(2.41))
Resated Closing Balance of Deferred Tax (Asset)/ Liability (C+D)	(11.58)	(10.47)	(5.49)	(4.45)	(2.41))
Deferred Tax (Assets) / Liability charged to Profit & Loss	(1.11)	(4.98)	(1.04)	(2.04)	(2.41))

Note II.8.1 : 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 – V: 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 Standalone Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

<i>(Rs. in Lakhs)</i>					
Particulars	For the Period Ended from 1st April 2022 to 31st Oct 2022	For the Period Ended from 26 <sup>th</sup> July 2021 to 31 <sup>st</sup> March 2022	For the Period from 1st April 2021 to 25 July 2021	For The Year Ended March 31,2021	As at 31st March, 2020
<b>(A) Net Profits as per audited financial statements (A)</b>	395.92	488.47	12.46	68.14	45.66
<b>Add/(Less) : Adjustments on account of -</b>					
1) Difference on Account of provision for Expenses					
2) Difference on Account of Prepaid Expenses					
3) Difference on Account of Change in Deferred Tax	(1.63)	0.67	1.04	2.04	2.41
4) Difference on Account of Change in Depreciation Method	4.76	(1.32)	(3.73)	(7.33)	(6.41)
5) Prior Period Expenses	(12.04)	(0.66)	(5.21)	(2.29)	0
5) Difference on Account of Provision for Income Tax	(0.02)	12.04	0.66	5.21	2.28
<b>Total Adjustments (B)</b>	<b>(8.94)</b>	<b>10.73</b>	<b>(7.24)</b>	<b>(2.37)</b>	<b>(1.72)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>386.98</b>	<b>499.21</b>	<b>5.22</b>	<b>65.77</b>	<b>43.94</b>
<b>3. Notes on Material Adjustments pertaining to prior years</b>					
<b>(1) Difference on Account of provision for Expenses</b>					
Provision for Expenses entered in Restated financials for expenses related to Current Year & the same has been booked in current year only.					
<b>(2) Difference on Account of Prepaid Expenses</b>					
Expenses related to next Accounting Period are transferred to Prepaid Expense & the same shall be booked in next accounting period as expenses, if any.					
<b>(3) Difference on Account of Change in Deferred Tax</b>					
Deferred Tax Assets recognized in 1st accounting year on Timing Difference due to Preliminary expenses has been reversed in succeeding accounting year which has not been done in audited financial Statements.					
<b>(4) Difference on Account of Change in Method of Depreciation</b>					
Since Partnership Firm is converted into company w.e.f. July 26, 2021, So that all the depreciation charged for earlier period has been restated as per the Method Provided in Schedule II.					
<b>(5) Difference on Account of Change in Prior Period Items</b>					
Prior Period items related to Period ending before 01.04.2020 are adjusted from Capital Account, if any.					
<b>(6) Difference on Account of Change in Provision for Income Tax</b>					
Since the Restated Profit is changed so that Provision for income Tax also got changed					
<b>Reconciliation of Equity</b>					
<i>(Rs. In Lakhs)</i>					
Particulars	For the Period from 1st April 2022 to 31st Oct 2022	For the Period from 26 <sup>th</sup> July 2021 to 31 <sup>st</sup> Mar 2022	For the Period from 1st April 2021 to 25 July 2021	As at March 31	
				2021	2020
<b>(A) Total Equity as per audited financial statements (A)</b>	422.92	657.12	1413.47	326.77	708.22
<b>Add/(Less) : Restatement Adjustments</b>	-11.79	-2.85	-13.60	-6.35	-3.98

<b>Total Equity as per Restated Financial Statements (A+B)</b>	<b>411.13</b>	<b>654.27</b>	<b>1399.87</b>	<b>320.42</b>	<b>704.24</b>
<b>Reconciliation of Preference</b>					
<i>(Rs. In Lakhs)</i>					
Particulars	For the Period from 1st April 2022 to 31st Oct 2022	For the Period from 26th July 2021 to 31st Mar 2022	For the Period from 1st April 2021 to 25 July 2021	As at March 31	
				2021	2020
<b>(A) Total Preference as per audited financial statements (A)</b>	2000.00	1725.00	0.00	0.00	0.00
<b>Add/(Less) : Restatement Adjustments</b>	0.00	0.00	0.00	0.00	0.00
<b>Total Preference as per Restated Financial Statements (A+B)</b>	2000.00	1725.00	0.00	0.00	0.00

<b>ANNEXURE - VI: Restated Statement of Tax Shelters</b>						
<i>(Rs. in Lakhs)</i>						
Sr. No	Particulars	As at Oct 31 2022	As at March 31 2022	As at 25th July 2021	As at 31st March	
					2021	2020
<b>A</b>	<b>Restated Profit before tax</b>	552.82	692.53	14.46	94.51	60.30
	Short Term Capital Gain at special rate					
	Normal Corporate Tax Rates (%)	27.82%	27.82%	27.82%	27.82%	27.82%
	MAT Tax Rates (%)	18.50%	18.50%	18.50%	18.50%	18.50%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>					
	Tax on normal profits	153.80	192.66	4.02	26.29	16.78
	<b>Total</b>	<b>153.80</b>	<b>192.66</b>	<b>4.02</b>	<b>26.29</b>	<b>16.78</b>
	<b>Adjustments:</b>					
<b>C</b>	<b>Permanent Differences</b>					
	Deduction allowed under Income Tax Act	0	0	0	0	0
	Exempt Income	0	0	0	0	0
	Allowance of Expenses under the Income Tax Act	0	0	0	0	0
	Disallowance of Income under the Income Tax Act	0		0	0	0
	Disallowance of Expenses under the Income Tax Act		0.32	0.03	0.56	0.77
	<b>Total Permanent Differences</b>	0.00	0.32	0.03	0.56	0.77
<b>D</b>	<b>Timing Differences</b>					
	Difference between tax depreciation and book depreciation	15.86	1.93	3.73	7.33	6.41
	Bonus & Grauity under 43B	(11.85)	15.66	0.00	0.00	0.00
	<b>Total Timing Differences</b>	<b>4.01</b>	<b>17.59</b>	<b>3.73</b>	<b>7.33</b>	<b>6.41</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>4.01</b>	<b>17.91</b>	<b>3.76</b>	<b>7.89</b>	<b>7.18</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	1.12	4.98	1.05	2.20	2.00
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>556.83</b>	<b>710.44</b>	<b>18.22</b>	<b>102.41</b>	<b>67.48</b>
	Taxable Income/ (Loss) as per MAT	386.98	499.21	5.22	65.77	43.94
<b>I</b>	<b>Income Tax as per normal provision</b>	154.91	197.65	5.07	28.49	18.77

<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	71.59	92.35	0.97	12.17	8.13
	<b>Net Tax Expenses (Higher of I or J)</b>	154.91	197.65	5.07	28.49	18.77
<b>K</b>	Relief u/s 90/91	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Total Current Tax Expenses</b>	<b>154.91</b>	<b>197.65</b>	<b>5.07</b>	<b>28.49</b>	<b>18.77</b>
<b>L</b>	Adjustment for Interest on income tax/ others	0.00	0.00	0.00	0.00	0.00
	<b>Total Current Tax Expenses</b>	<b>154.91</b>	<b>197.65</b>	<b>5.07</b>	<b>28.49</b>	<b>18.77</b>

**Note :** 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 - VII: Restated Statement of Capitalization			
(Rs. in Lakhs)			
Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	2406.42	2406.42
B	Short Term Debt*	2102.16	2102.16
C	<b>Total Debt</b>	<b>4508.57</b>	<b>4508.57</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital*	633.00	860.64
	Preference Share Capital	2000.00	2000.00
	Reserves and Surplus*	411.13	2482.66
D	<b>Total Equity</b>	<b>1044.13</b>	<b>3343.30</b>
E	<b>Total Capitalization</b>	<b>5552.71</b>	<b>7851.87</b>
	Long Term Debt/ Equity Ratio (A/D)	2.30	0.72
	Total Debt/ Equity Ratio (C/D)	4.32	1.35

**Notes :**

1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities

\* The amounts are consider as outstanding as on Oct 31, 2022

ANNEXURE - VIII: Restated Statement of Contingent Liabilities					
(Rs. in Lakhs)					
Particulars	As at 31st Oct 2022	As at 31st March 2022	As at 25th July 2021	As at 31st March	
				2021	2020
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	-	-	-	-	-
2. Capital Commitment	-	-	-	-	-
3. Income Tax Demand	-	-	-	-	-
4. TDS Demands	-	-	-	-	-
5. GST Demands	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

ANNEXURE - IX: Restated Statement of Financial Indebtness								
(Rs. In lakhs)								
Name of Bank/ Party	Currency	Type of Loan	Sanctioned Amount	Rate of Interest	As at 31st Oct 2022	Repay ment schedule of loans	Prepay ment and penalty	Security
HDFC Bank	Indian	Auto Loan	10	7.75%	4.45	3	NA	Secured

HDFC Bank	Indian	Auto Loan	100	6.80%	87.07	5	NA	Secured
HDFC Bank	Indian	Term Loan	5.5	10.02%	4.93	4	NA	Secured
HDFC Bank	Indian	Auto Loan	9.27	8.30%	8.90	5	NA	Secured
HDFC Bank	Indian	Auto Loan	16	8.10%	14.91	3 years 3 month	NA	Secured
HDFC Bank	Indian	Term Loan	259	Floating Rate	193.08	2 year 2 month	NA	Secured
HDFC Bank	Indian	OD Limit	1941	6.75	1,953.49	NA	NA	Secured
Kanav Gupta	Indian	Business Loan	NA	Nil	274.61	Repayable on demand	NA	Unsecured
Neeraj Kumar Aggarwal	Indian	Business Loan	NA	Nil	1,466.68	Repayable on demand	NA	Unsecured
Shilpy Aggarwal	Indian	Business Loan	NA	Nil	500.46	Repayable on demand	NA	Unsecured

#### ANNEXURE -X: Restated Statement of Related Party Disclosures as Restated

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.

##### A. List of Related Parties and Nature of Relationship:

Key Managerial Personnel	Neeraj Kumar Aggarwal
	Kanav Gupta
	Shilpy Aggarwal
Business under same management	Dewan Chand Madan Lal & Sons *
Relative of KMPs	Neelam Aggarwal
	Anju Gupta
	Deepali Aggarwal
	Riya Aggarwal
	Manoj Gupta
Entity in which KMP & relative of KMP has substantial interest	Neeraj Kumar Aggarwal HUF
	Ramesh Kumar Aggarwal HUF

\* The firm was taken over by De Neers Tools vide a business takeover agreement dated 17 June 2021. Later, the Company has been formed from conversion of LLP into company vide a certificate of incorporation dated 26.07.2021.

**Note :** 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.

##### B. Transactions carried out with related parties referred to in (A) above, in ordinary course of business:

Nature of Transactions	Name of Related Parties	As at 31st Oct 2022	As at 31st March 2022	As at July 25 2021	As at March 31	
					2021	2020
1. Partners/Directors Remuneration	Neeraj Kumar Aggarwal	13.30	15.2	-	-	26.5
	Kanav Gupta	3.50	4	-	-	15.90
	Shilpy Aggarwal	10.50	12	-	-	5.30
2. Capital Contribution/Withdrawal	Neeraj Kumar Aggarwal	-	-	729.33	(85.29)	58.66
	Kanav Gupta	-	-	43.56	(189.62)	(79.34)
	Shilpy Aggarwal	-	-	284.20	(210.80)	18.20

	<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>1057.09</b>	<b>(485.72)</b>	<b>(2.48)</b>
3. Rental Expenses	Neeraj Kumar Aggarwal	16.10	18.44	1.00	2.50	3.00
	Shilpy Aggarwal	17.50	20.00	1.80	5.20	5.40
4. Salary Expenses	Deepali Aggarwal	7.00	-	2.07	6.73	27.00
	Riya Aggarwal	7.00	-	2.31	1.40	-
	Anju Gupta	-	-	0.00	3.20	1.00
5. Interest on Capital	Neeraj Kumar Aggarwal	-	-	10.27	13.50	18.33
	Kanav Gupta	-	-	4.83	13.41	30.8
	Shilpy Aggarwal	-	-	2.05	9.21	10.40
6. Unsecured Loans	<b>Kanav Gupta</b>					
	Opening Balance	306.81	159.20	-	-	-
	Add: Loan Received during the year	-	150.54	-	-	-
	Less : Loan Repaid during the year	32.20	2.93	-	-	-
	<b>Closing Balance</b>	<b>274.61</b>	<b>306.81</b>	-	-	-
	<b>Neeraj Kumar Aggarwal</b>					
	Opening Balance	1371.51	871.66	-	-	-
	Add: Loan Received during the year	249.22	638.35	-	-	-
	Less : Loan Repaid during the year	154.05	138.50	-	-	-
	<b>Closing Balance</b>	<b>1466.68</b>	<b>1,371.51</b>	-	-	-
	<b>Shilpy Aggarwal</b>					
	Opening Balance	527.33	210.78	-	-	-
	Add: Loan Received during the year	23.12	366.55	-	-	-
	Less : Loan Repaid during the year	50.00	50.00	-	-	-
	<b>Closing Balance</b>	<b>500.45</b>	<b>527.33</b>	-	-	-
	<b>Dewan Chand Madan Lal &amp; Sons</b>					
	Opening Balance	-	-	17.08	3.45	96.86
	Add: Loan Received during the year	-	-	-	229.75	336.59
	Less : Loan Repaid during the year	-	-	17.08	227.62	430
	Add : Interest on Loan	-	-	0.00	12.43	0
	Less : TDS on Interest on loan	-	-	-	0.93	-
	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>17.08</b>	<b>3.45</b>
	<b>Neeraj Kumar Aggarwal (HUF)</b>					
	Opening Balance	-	-	100.90	104.42	91.08
	Add: Loan Received during the year	-	-	54.57	126.00	4.75
	Less : Loan Repaid during the year	-	-	156.73	139.44	0.30
	Add : Interest on Loan	-	-	1.40	10.72	11.32

Less : TDS on Interest on loan			0.14	0.80	2.43
Closing Balance	-	-	<b>0.00</b>	<b>100.90</b>	<b>104.42</b>
<b>Deepali Aggarwal</b>					
Opening Balance	-	116.43	88.06	95.14	37.79
Add: Loan Received during the year	-	65.55	29.00	0.70	56.00
Less : Loan Repaid during the year	-	181.98	0.63	14.50	3.44
Add : Interest on Loan	-	-	-	7.27	5.32
Less : TDS on Interest on loan				0.55	0.53
Closing Balance	-	<b>0.00</b>	<b>116.43</b>	<b>88.06</b>	<b>95.14</b>
<b>Neelam Aggarwal</b>					
Opening Balance	-	-	164.27	79.11	47.60
Add: Loan Received during the year	-	-	23.00	193.50	27.00
Less : Loan Repaid during the year	-	-	189.29	116.62	1.27
Less : Loan Converted into Equity	-	-	-	-	-
Add : Interest on Loan	-	-	2.23	8.96	6.71
Less : TDS on Interest on loan			0.22	0.67	0.93
Closing Balance	-	-	<b>0.00</b>	<b>164.27</b>	<b>79.11</b>
<b>Ramesh Kumar Aggarwal &amp; Sons (HUF)</b>					
Opening Balance	-	-	84.36	105.01	90.72
Add: Loan Received during the year	-	-	30.00	98.65	4.75
Less : Loan Repaid during the year	-	-	115.41	127.98	0.60
Add : Interest on Loan	-	-	1.17	9.39	11.26
Less : TDS on Interest on loan			0.12	0.70	1.13
Closing Balance	-	-	<b>0.00</b>	<b>84.36</b>	<b>105.01</b>
<b>Anju Gupta</b>					
Opening Balance	-	76.53	78.33	-	-
Add: Loan Received during the year	-	0.50		80.00	-
Less : Loan Repaid during the year	-	77.03	1.80	4.50	-
Add : Interest on Loan	-	-		3.06	-
Less : TDS on Interest on loan				0.23	
Closing Balance	-	-	<b>76.53</b>	<b>78.33</b>	-
<b>Riya Aggarwal</b>					
Opening Balance	-	2.89	5.50	-	-
Add: Loan Received during the year	-	16.31	-	5.50	-
Less : Loan Repaid during the year	-	19.20	2.61	-	-

	Closing Balance	-	-	2.89	5.50	-
7. Sale	Dewan Chand Madan Lal & Sons	-	-	-	-	18.10
8. Business Purchase	Dewan Chand Madan Lal & Sons	-	-	453.00	-	-

Note : Interest on loan was unpaid during FY 19-20, FY 20-21 and stub period ending 25th July 2022. The same has been added to loan amount as loan taken from related parties.

**C. Outstanding Balance as at the end of the year**

	Name of Related Party	31.10.2022	31.03.2022	25.07.2021	31.03.2021	31.03.2020
1. Payables / (Receivable)	Neeraj Kumar Aggarwal	1467.67	1379.60	-	-	79.10
	Kanav Gupta	276.00	307.81	-	-	-
	Shilpy Aggarwal	501.35	537.15	-	-	-
	Neeraj Kumar Aggarwal (HUF)	-	-	-	100.90	104.42
	Deepali Aggarwal	1.31	-	117.06	88.06	95.14
	Neelam Aggarwal	-	-	-	164.27	79.11
	Ramesh Kumar Aggarwal & Sons (HUF)	-	-	-	84.36	105.01
	Dewan Chand Madan Lal & Sons	-	-	-	17.08	3.45
	Anju Gupta	-	-	76.53	78.33	-
	Riya Aggarwal	1.26	-	3.59	5.50	-
<b>Total</b>		<b>2247.58</b>	<b>2224.56</b>	<b>197.18</b>	<b>538.50</b>	<b>466.22</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 IV, I, II III."

Annexure XI : Other Financial Information					
Particulars	As at 31st Oct 2022	As at 31st March 2022	As at 25th July 2021	As at 31st March	
				2021	2020
Restated PAT as per P& L Account (Rs. in Lakhs)	386.98	499.21	5.22	65.77	43.94
Actual No. of Equity Shares outstanding at the end of the year	6,330,000	30,000	30,000	30,000	30,000
Weighted Average Number of Equity Shares at the end of the Year (Note -2)	6,330,000	6,330,000	6,330,000	6,330,000	6,330,000
Net Worth	3044.13	2382.27	1399.87	320.42	704.24
<b>Earnings Per Share</b>					
EPS (Post Bonus) *	6.11	7.89	0.08	1.04	0.69
Diluted EPS	6.11	7.89	0.08	1.04	0.69
<b>EBIDTA</b>	691.64	796.32	55.22	256.30	172.99
<b>Return on Net Worth (%)</b>	12.71%	20.96%	0.37%	20.53%	6.24%
<b>Net Asset Value Per Share (Rs)</b>	48.09	37.63	22.11	5.06	11.13
Nominal Value per Equity share after Share split (Rs.)	10.00	10.00	10.00	10.00	10.00
* The Company has issued bonus equity shares of Rs. 6,30,00,000 which is in the ratio 210:1 to existing equity shareholders on October 27, 2022.					
Note : 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.					
<b>Notes :</b>					
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 six months/year.					

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/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 six months/year/ Total Number of Equity Shares outstanding during the six months/year.
2) Weighted Average Number of equity shares is the number of equity shares outstanding at the time of conversion of LLP.
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) – Fictitious Assets
5) The figures disclosed above are based on the Restated Financial Statements of the Company.

## FINANCIAL INDEBTEDNESS

Our Company avails credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable law, the Board may from time to time at its discretion raise to borrow, either from Directors or elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by the resolution of the Board, or where a power to delegate the same is available by decision / resolution of such delegate, provided that the Board shall not without requisite sanction of the Company in General Meeting, borrow any sum of money which together with money borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate from the time being of the paid up capital of the Company and its free reserves.

Further, pursuant to special resolution passed in the Extra Ordinary General Meeting of our Company held on January 10, 2022, the Board of directors has been authorized to borrow money in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company, provided that the total amount borrowed and outstanding at any point of time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the sums of Rs. 10,000 lakhs.

As on October 31, 2022, our company has total outstanding of secured borrowings from banks/ financial institutions aggregating to Rs. 1428.60 lakhs. Set forth below is a brief summary of our Company's secured borrowings from financial institution as on October 31, 2022:

### A. SECURED LOANS

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

<i>(Rs. In lakhs)</i>								
Name of Bank/ Party	Currency	Type of Loan	Sanctioned Amount	Rate of Interest	As at 31st Oct 2022	Repayment schedule of loans	Prepayment and penalty	Security
HDFC Bank	Indian	Auto Loan	10	7.75%	4.45	3	NA	Secured
HDFC Bank	Indian	Auto Loan	100	6.80%	87.07	5	NA	Secured
HDFC Bank	Indian	Term Loan	5.5	10.02%	4.93	4	NA	Secured
HDFC Bank	Indian	Auto Loan	9.27	8.30%	8.90	5	NA	Secured
HDFC Bank	Indian	Auto Loan	16	8.10%	14.91	3 years 3 month	NA	Secured
HDFC Bank	Indian	Term Loan	259	Floating Rate	193.08	2 year 2 month	NA	Secured
HDFC Bank	Indian	OD Limit	1941	6.75	1,953.49	NA	NA	Secured

### B. UNSECURED LOANS

<i>(Rs. In lakhs)</i>								
Name of Bank/ Party	Currency	Type of Loan	Sanctioned Amount	Rate of Interest	As at 31st Oct 2022	Repayment schedule of loans	Prepayment and penalty	Security
Kanav Gupta	Indian	Business Loan	NA	Nil	274.61	Repayable on demand	NA	Unsecured

Neeraj Kumar Aggarwal	Indian	Business Loan	NA	Nil	1,466.6 8	Repayable on demand	NA	Unsecured
Shilpy Aggarwal	Indian	Business Loan	NA	Nil	500.46	Repayable on demand	NA	Unsecured

## MANAGEMENTS' DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated financial statements and restated standalone financial statement ("restated financials statements") attached in the chapter titled "Financial Information of the Company" beginning on page 134. You should also read the section titled "Risk Factors" on page 23 and the section titled "Forward Looking Statements" on page 16, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated 136 which is included in this Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### BUSINESS OVERVIEW

*De Neers Tools Ltd is an ISO 9001:2015, ISO 14001:2015 and 45001:2018 accredited company. Today, we have over 3200 SKUs and we are the fourth-generation serving the hand tools industry since 1952 i.e. over seven decades. Generation on generations, we have learned and adopted new and improved systems to increase our dealership network, customer reach and the best practices to satisfy our customers' needs to the fullest.*

*De Neers is among the few key players in the hand tool industry as per the industry report of CareEdge. We provide a very broad range of hand tools in India. Our extensive range of products includes spanners, wrenches, pliers, cutters, allen keys, hammers, socketry, screw drivers, tool kits, tool cabinets, trolleys, etc. We are also specialized in providing safety tools like non-sparking tools, insulated steel tools, non-sparking insulated tools, stainless steel & magnetic tools, titanium tools along with multiple other hand tools. We have experienced and dedicated personnel that keeps a regular check on the latest trends and opportunities in the market and focuses on improving the design and structure of the products. Our focus is on producing tools that can stand up to the demands of the professionals who use them every day. De Neers is widely accepted by the dealers / distributors, hardware suppliers throughout India. Our ultimate clients include some of the leading OEM's like Tata Steel, Indian oil, Larsen & Toubro, Assam Petrochemicals, Lohia Corporation, Polycab Cables, Indian Railways, etc.*

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED FINANCIALS

*In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in this Prospectus i.e. October 31, 2022, any significant developments or 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 except as follows:*

- 1. Authorisation of Initial Public Offer vide Board Resolution dated November 10, 2022 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an EGM held on November 11, 2022*

### SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

*Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factor" beginning on page 23. Our results of operations and financial conditions are affected by numerous factors including the following:*

- Our ability to attract and retain qualified personnel;*
- Technology upgradation;*
- Supply chain disturbance;*
- Increased competition in our Industry;*
- Availability of applicable approvals, licenses, registrations and permits in a timely manner;*
- Higher interest outgo on our loans;*

- Our ability to successfully implement our growth strategy and expansion plans;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control.

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for years ended March 31, 2022, 2021 and 2020.

### Principal Components of Statement of Profit and Loss

#### *Income*

Our total income comprises revenue from operations and other income as mentioned below:

#### *Revenue from Operations*

Our revenue from operations primarily includes sale of hand tools in India.

#### *Other Income*

Our other income primarily includes interest income and other non – operating income.

#### *Expenses*

Our total expenses include the below mentioned expenses:

#### *Direct Cost*

The Direct Cost primarily includes expenses related to Purchase of Stock in Trade and other expenses.

#### *Changes in Inventories*

Changes in Inventories includes the inventory of hand tools at the beginning of the year and at the end of the year.

#### *Employee benefit expenses*

Our employee benefit expense primarily includes salaries and staff welfare expenses, director's remuneration and perquisites.

#### *Finance Cost*

Our finance costs primarily include interest, other borrowing cost and bank charges.

#### *Depreciation and Amortization Expense*

Our depreciation and amortization primarily include depreciation of furniture and fixtures, vehicles, office equipment, computer and plant and machinery.

#### *Other Expenses*

Our other expenses primarily include expenditure incurred on travelling & conveyance, business promotion expenses, selling and distribution expenses, rent, commission, power, professional charges, auditor's remuneration and office & miscellaneous expenses.

#### *Tax Expense*

Our tax expenses primarily include current tax, deferred tax and adjustment for tax of earlier years.

### Results of Operations based on Restated Financial Statement

The following table sets forth select financial data from our restated statement of profit and loss for the Fiscal year 2022, 2021 and 2020 the components of which are also expressed as a percentage of total income for such periods.

(Rs. in lakhs)

Particulars	For the year ended 31st March 2022	% of Total Income	For the year ended 31st March 2021	% of Total Income	For the year ended 31st March 2020	% of Total Income
(a) Revenue from Operations	7,898.72	98.63%	6,211.77	100.00%	7,349.61	100.00%
(b) Other Income	109.96	1.37%	0.00	0.00%	0.02	0.00%
<b>II) Total revenue</b>	<b>8,008.68</b>	<b>100.00%</b>	<b>6,211.77</b>	<b>100.00%</b>	<b>7,349.63</b>	<b>100.00%</b>
<b>III) Expenses</b>						
(b) Purchase of Stock in Trade	9215.2	115.07%	6,922.30	111.44%	6,122.80	83.31%
(c) Changes in inventories of Finished goods, work-in-progress and others	(2719.1)	(33.95%)	(1,346.02)	(21.67%)	633.69	8.62%
(d) Employee benefit expenses	234.22	2.92%	107.37	1.73%	136.24	1.85%
(e) Finance costs	102.87	1.28%	143.14	2.30%	99.25	1.35%
(f) Depreciation and amortization expense	41.68	0.52%	18.64	0.30%	13.44	0.18%
(g) Other expenses	426.82	5.33%	271.83	4.38%	283.91	3.86%
<b>(IV) Total Expenses</b>	<b>7,301.69</b>	<b>91.17%</b>	<b>6,117.26</b>	<b>98.48%</b>	<b>7,289.32</b>	<b>99.18%</b>
<b>(V) Profit/(Loss) before tax (II-IV)</b>	<b>706.99</b>	<b>8.83%</b>	<b>94.51</b>	<b>1.52%</b>	<b>60.30</b>	<b>0.82%</b>
<b>(VI) Tax expense</b>						
(a) Current Tax	202.71	2.53%	28.49	0.46%	18.77	0.26%
(b) Previous year Tax adjustments	5.87	0.07%	2.29	0.04%	-	0.00%
(c) Deferred Tax expense / (credit)	(6.02)	(0.08%)	(2.04)	(0.03%)	(2.41)	(0.03%)
<b>VII) Total Taxes</b>	<b>202.39</b>	<b>2.53%</b>	<b>28.74</b>	<b>0.46%</b>	<b>16.36</b>	<b>0.22%</b>
<b>VIII) Profit after Taxes</b>	<b>504.42</b>	<b>6.30%</b>	<b>65.77</b>	<b>1.06%</b>	<b>43.94</b>	<b>0.60%</b>

### Other Key Ratios

Particulars	Financial year ending March 31 <sup>st</sup> ,		
	2022	2021	2020
Fixed Asset Turnover Ratio	37.43	74.87	151.29
Debt Equity Ratio	1.53	6.77	1.92

Current Ratio	1.90	1.30	1.26
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Notes:

**Fixed Asset Turnover Ratio:** This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Information.

**Debt Equity Ratio:** This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Information.

**Current Ratio:** This is defined as current assets divided by current liabilities excluding current maturity of long term debt, based on Restated Financial Information.

## FISCAL 2022 COMPARED TO FISCAL 2021

### Income

Our total income increased by 28.93% to Rs.8,008.68 lakhs in Fiscal 2022 from Rs.6211.77 lakhs in Fiscal 2021, primarily on account of the factors discussed below.

#### Revenue from operations

Our revenue from operations increased by 27.15% to Rs.7898.72 lakhs in Fiscal 2022 from Rs. 6211.77 lakhs in Fiscal 2021. Our overall revenue has increased due to increase in our sale of products i.e. sale of different varieties of hand tools items.

#### Other income

Our other income increased by 100.00% to Rs. 109.96 lakhs in Fiscal 2022 from nil in Fiscal 2021. Other income has increased due to a one-time stock correction done after the inspection / search action u/s 67 (2) of DGST 2017 against M/s De Neers Tools Limited. The search was conducted on August 27, 2021.

### Expenses

Our total expenses increased by 19.36% to Rs. 7301.69 lakhs in Fiscal 2022 from Rs. 6117.26 lakhs in Fiscal 2021, which primarily comprised of:

#### Direct Cost

The Direct Cost increased by 33.12% to Rs. 9215.20 lakhs in fiscal 2022 from Rs. 6922.30 lakhs in fiscal 2021. Direct cost has increased due to increase in payment to vendors and other expenses related to purchases.

#### Changes in Inventories

Changes in Inventories changed by 102.01% to Rs. (2719.10) lakhs in fiscal 2022 from Rs. (1346.02) lakhs in fiscal 2021 on account of addition of more SKUs and increase in inventory.

#### Employee Benefit Expense

Our employee benefit expense increased by 118.14% to Rs.234.22 lakhs in Fiscal 2022 from Rs.107.37 lakhs in Fiscal 2021 primarily due to increase in the payments of salary & wages.

#### Finance Costs

Our finance costs decreased by 28.13% to Rs.102.87 lakhs in Fiscal 2022 from 143.14 Lakhs in Fiscal 2021, primarily due to decrease in the interest on borrowings.

#### Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 123.61% to Rs.41.68 lakhs in Fiscal 2022 from Rs.18.64 lakhs in Fiscal 2021, primarily due to addition in vehicles, computer and other equipment during this period.

#### Other Expenses

Our other expenses increased by 57.02% to Rs.426.82 lakhs in Fiscal 2022 from Rs.271.82 lakhs in Fiscal 2021, primarily due to increase in the rent, business promotion expenses, packaging, office expenses & miscellaneous expenses.

#### ***Tax Expense***

Our tax expenses increased by 604.84% to Rs. 202.57 lakhs in Fiscal 2022 from Rs.28.74 lakhs in Fiscal 2021 on account of increase in profit.

#### ***Profit for the Year***

Our profit for the year increased by 666.94% to Rs.504.42 lakhs in Fiscal 2022 from Rs. 65.77 lakhs in Fiscal 2021 due to following factors –

- Since our brand DENEERS is a new brand in the market, for the initial years we kept minimal margins in order to compete and create market for ourselves in a competitive environment. We increased our margins in the FY 2022.
- Our marketing expenses were brought down majorly by covid , especially exhibitions which we held all around India which resulted in saving in marketing costs from year 2022.
- We added many high margin products for which we found good sales eventually - non-sparking tools , insulated VDE tools , impact sockets , slogging wrenches (jumbo sizes), and many such items in which we were able to take better percentage of profits.
- Our sales also increased in the FY 2022 resulting in economies of scale and better profit.

### **FISCAL 2021 COMPARED TO FISCAL 2020**

#### ***Income***

Our total income decreased by 15.48% to Rs.6211.77 lakhs in Fiscal 2021 from Rs.7349.62 lakhs in Fiscal 2020, primarily on account of the factors discussed below.

#### ***Revenue from operations***

Our revenue from operations decreased by 15.48% to Rs.6211.77lakhs in Fiscal 2021 from Rs.7349.62 lakhs in Fiscal 2020. Due to lockdown and pandemic situation sales of goods has declined.

#### ***Other Income***

Company has not generated any non-operating income in fiscal 2021 & 2020.

#### ***Expenses***

Our total expenses decreased by approx. 16.08% to Rs.6117.26 lakhs in Fiscal 2021 from Rs. 7289.32 lakhs in Fiscal 2020, which primarily comprised of:

#### ***Direct Cost***

The Direct Cost increased by 13.06% to Rs.6922.30 lakhs in fiscal 2021 from Rs. 6122.80 lakhs in fiscal 2020. Direct cost has increased due to increase in payment of technician and other expenses related to hand tools items.

#### ***Changes in Inventories***

Changes in Inventories changed by 312.41% to (Rs. 1346.02) lakhs in fiscal 2021 from Rs. 633.69 lakhs in fiscal 2020 due to addition of more SKUs and increase in unsold inventory.

#### ***Employee Benefit Expense***

Our employee benefit expense decreased by 21.19% to Rs.107.37 lakhs in Fiscal 2021 from Rs.136.24 lakhs in Fiscal 2020. Due to lockdown and pandemic situation most of the employees migrated to their native places.

#### ***Finance Costs***

Our finance costs decreased by 44.23% to Rs.143.14 lakhs in Fiscal 2021 from 99.25 in Fiscal 2020, primarily due to decreased in the interest on borrowings of the Company.

### *Depreciation and Amortization Expense*

Our depreciation and amortization expenses increased by 38.72% to Rs.18.64 lakhs in Fiscal 2021 from Rs.13.44 lakhs in Fiscal 2020, primarily due to addition in property, plant and equipment during this period.

### *Other Expenses*

Our other expenses decreased by 4.26% to Rs.271.82 lakhs in Fiscal 2021 from Rs.283.91 lakhs in Fiscal 2020, primarily due to decreased in the rent, and office & Miscellaneous expenses due to lockdown.

### *Tax Expense*

Our tax expenses increased by 75.67% to Rs. 28.74 lakhs in Fiscal 2021 from Rs.16.36 lakhs in Fiscal 2020. In Fiscal 2020, our tax expenses have increased due to increase in profit.

### *Profit for the Year*

As a result of the foregoing factors, our profit for the year increased by 49.68% to Rs. 65.77 lakhs in Fiscal 2021 from the loss of Rs. 43.94 lakhs in Fiscal 2020.

## **CASH FLOW BASED ON RESTATED FINANCIAL STATEMENTS**

(Rs. In lakhs)

Particulars	FISCAL		
	2022	2021	2020
Net cash generated from operating activities	(2711.77)	(134.06)	(656.38)
Net cash (used in)/generated from investing activities	(164.03)	(51.00)	(41.96)
Net cash (used in)/generated from financing activities	2929.10	223.23	719.95
Cash and cash equivalents at the end of the year	126.51	38.17	21.61

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled *Risk Factors* beginning on page 23, to our knowledge there are no known significant economic changes that materially affected or are likely to affect income from continuing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled *Risk Factors* beginning on page 23, 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.

### **4. Future relationship between Costs and Income**

Our Company's future costs and revenues will be determined by multiple factors such as industry preferences, economic activity, government policies and demand of our products.

### **5. The extent to which material increase/decrease in net revenue are due to increase/decrease in the production.**

We do not incur any manufacturing activities.

### **6. Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in hand tools items and equipments Industry and relevant industry data, as available,



has been included in the chapter titled “*Our Industry*” beginning on page 75.

**7. Status of any publicly announced new products or business segments**

Our Company has not announced any new products or segment, other than through this Prospectus.

**8. The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

**9. Any significant dependence on a single or few clients.**

Our business is not significantly dependent on few clients. Our top 5 customers contributed 25.40% and 23.95% of total revenue from operations for F.Y. 2021-22 and 2020-21 respectively.

**10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled *Our Business* on page 92.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoter.

Our Board, in its meeting held on November 10, 2023, determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 10.00% of the Company’s trade payables for the last audited financial statements.

#### A. LITIGATION INVOLVING OUR COMPANY

##### I. LITIGATION FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Matters: NIL
2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
3. **Litigation/Matters involving Tax Liabilities:**
  - i. Direct Tax Liabilities: NIL
  - ii. Indirect Tax Liabilities: NIL
4. **Other Pending Litigations:** NIL

##### II. LITIGATIONS FILED BY OUR COMPANY

1. Litigation Involving Criminal Matters: NIL
2. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL
3. Litigation Involving Tax Liabilities: NIL
4. Other Pending Litigations: NIL

#### B. LITIGATIONS INVOLVING OUR DIRECTORS

##### I. LITIGATIONS FILED AGAINST THE DIRECTORS

1. Litigation involving Criminal Matters: NIL
2. Litigation involving Actions by Statutory/Regulatory Authorities: NIL
3. Litigation Involving Tax Liabilities: NIL

##### II. LITIGATIONS FILED BY OUR DIRECTORS

1. Litigation involving Criminal Matters: NIL
2. Litigation involving Actions by Statutory/Regulatory Authorities: NIL
3. Litigation Involving Tax Liabilities: NIL

4. Other Pending Litigations: NIL

**C. 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 will be available on the website of our Company.

As on October 31, 2022, total creditors are Rs. 4464.51 Lakhs and out of the total creditors Rs. 811.73 Lakhs are dues towards the Micro, Small and Medium Enterprises and hence disclosure in relation to amount unpaid together with interest payable have been furnished.

**D. 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 137, there have been no material developments that have occurred after the Last Balance Sheet date.

## 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 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 Offer 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 Offer 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 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

Our Company was formed on July 26, 2021 as a public limited company under the Companies Act, 2013 pursuant to a Certificate of Incorporation issued by the Registrar of Companies, Delhi NCR. Prior to being converted into a company, our company was a limited liability partnership in the name of *De Neers Tools LLP* which was formed on March 20, 2018. Also, on June 17, 2021, *De Neers Tools LLP* took over the business of *M/s Deewan Chand Madanlal & Sons* on going concern basis. Lastly, on July 26, 2021 *De Neers Tools LLP* was converted into De Neers Tools Limited.

The Corporate Identity Number of our Company is U29309DL2021PLC384229.

### APPROVALS IN RELATION TO THE OFFER

#### Corporate Approvals

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on November 10, 2022 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 November 11, 2022 under Section 62(1) (c) of the Companies Act, 2013, authorized the Offer.

#### Approvals from Stocks Exchange

1. Our Company has received in- principle listing approval from the NSE Emerge dated February 15, 2023 for listing of Equity Shares issued pursuant to the issue.

#### Other Approvals

1. The Company has entered into a tripartite agreement dated November 09, 2022 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 December 01, 2021 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 IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### Under Direct and Indirect Laws

Sr. No.	Nature of License / Approvals / Registrations	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration in Income Tax Department	Income Tax Department, Govt. of India	PAN: AAICD6402G	Perpetual	-
2.	Allotment of Tax Deduction Account Number (TAN)	Income tax Department, Govt. of India	TAN: DELD25379E	Perpetual	-
3.	Registration under Goods and Service Tax (Delhi)	Central Board of Indirect Taxes and Customs, Central Excise Division, Delhi	GSTIN: 07AAICD6402G1ZV	Perpetual	-
4.	Registration under Goods and Service Tax (Uttar Pradesh)	Central Board of Indirect Taxes and Customs, Central Excise Division, Uttar Pradesh	GSTIN: 09AAICD6402G1ZR	Perpetual	-

#### A. Under Industrial and Labour Law

Sr. No.	Nature of License / Approvals	Authority	Particulars of License / Approvals	Validity Period	Special conditions, if any
1.	Registration under Employees Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner, NCT of Delhi	EPF Code: DLCPM2425367000	Perpetual	-
2.	Registration under Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	ESIC Code: 11001351240000999	Perpetual	-
3.	UDYAM Registration Certificate	The Ministry of Micro, Small and Medium Enterprises	UDYAM-DL-02-0016191	Perpetual	-
4.	Shops and Establishment Registration under Shops & Establishment Act, 1954	Government of National Capital Territory of Delhi	Registration No: 2022327915	Perpetual	-
5.	Factory License*	Municipal Corporation of Delhi Factory License Department	License No: EFL1202102737	Valid upto March 31, 2025	-

\*We do not incur any manufacturing activities.

## B. Other Registrations / Certifications / Ratings

Sr. No.	Nature of License / Approvals / Ratings	Authority	Particulars of License / Approvals	Validity Period	Remarks
1.	ISO 9001:2015 (Quality Management System)	DBS Certification Pvt, Ltd.	Certificate Number: Q-205021111007	Upto November 09, 2024	-
2.	ISO 14001:2015 (Environmental Management System)	DBS Certification Pvt, Ltd.	Certificate Number: E-205021111010	Upto November 09, 2024	-
3.	ISO 45001:2018 (Occupational Health and Safety Management System)	Quality Research Organization	Certificate Number: 305021102104HS	Upto October 20, 2024	-
4.	LEI Registration	LEI Register India	LEI: 984500E2DFAE4A47 SA32	Upto February 15, 2024	-
5.	Pollution Certificate	Delhi Pollution Control Committee	Undertaking No. : DPCC/CMC/WHITE/2018/6313399	Perpetual	-
6.	Be Vocal About Local Certificate	Ministry of Electronics and Information Technology, Government of India	4756945634	Perpetual	-
7.	Importer-Exporter Code	Ministry of Commerce and Industry	AAICD6402G	Perpetual	-
8.	General Trade/Storage License	East Delhi Municipal Corporation Udyog Sadan, 419, F.I.E. Industrial Area, Patparganj, Delhi-92	License No: EGTL1221178076	Upto March 31, 2024	-

## INTELLECTUAL PROPERTY

The Company has registered for following trademark under the Trade Marks Acts, 1999

Description	Trademark Number / Application No./ Registration Certificate Number	Class(es)	Date of Application	Validity
	4035930	Class 6	December 24, 2018	10 Years
	4035931	Class 7	December 24, 2018	10 Years
	4035932	Class 8	December 24, 2018	10 Years
DE-NEERS	3569468	Class 6	June 13, 2017	10 Years
	3569467	Class 7	June 13, 2017	10 Years
	3569466	Class 8	June 12, 2017	10 Years

**KEY APPROVALS APPLIED FOR BY OUR COMPANY BUT NOT RECEIVED**

Nil

**KEY APPROVALS REQUIRED BUT NOT APPLIED FOR BY OUR COMPANY**

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

#### Corporate Approvals

- ✓ Our Board has authorized the Fresh Issue of Equity shares by a resolution dated November 10, 2022, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.
- ✓ Our shareholders have, pursuant to a special resolution passed at the Extra Ordinary General Meeting of our Company held on November 11, 2022, at the Registered office of our Company under Section 62(1)(c) of the Companies Act 2013, authorized the Issue.
- ✓ Our Company has obtained in-principle approval dated February 15, 2023 from the Emerge platform of NSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### Approvals from Lenders

- ✓ We have received No Objection Certificate from Banker to the Company i.e. HDFC Bank Limited on December 09, 2022
- ✓ We have received the No Objection Certificates from our Unsecured Lenders to our Company i.e. Neeraj Kumar Aggarwal, Kanav Gupta and Shilpy Aggarwal.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Further, our company, promoter, members of the promoter group, directors, are not debarred or prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company nor any of our Promoter or Directors has been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoter and Promoter Group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations; and this Offer is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

This Offer is being made in terms of Regulation 229(1) of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post offer face value capital is less than Rupees Ten Crores and up to Rupees Twenty-Five Crores, offer equity 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 July 26, 2021, under the Companies Act, 2013 with the Registrar of Companies.

- b) As on the date of this Prospectus, our Company has a total paid-up equity capital (face value) of ₹ 633.00 Lakhs comprising 63,30,000 Equity Shares of ₹10/- each and the Post Offer equity paid-up Capital (face value) will be ₹ 860.68 Lakhs comprising 86,06,800 Equity Shares which shall be below ₹ 25 crores.
- c) Our Promoters have on an average track record of over a decade as on date of filing of this Prospectus.
- d) Our company had positive cash accruals (earnings before interest, depreciation and tax) from operations in 2 out of 3 financial years preceding the date of this 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 actions 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 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 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 144.
  - 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 144.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a. The 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 with NSDL on December 01, 2021 and with CDSL on November 09, 2022 for dematerialisation of its Equity Shares already issued and proposed to be issued.
- 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 Promoter are in dematerialised form.
- e. The fund requirements set out for the Objects of the Offer are proposed to be met entirely either from the Net Proceeds or from Internal Accruals. 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 Issue*” on page 63.

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:

- a. Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- b. None of our Promoter or Directors are Promoter or directors of companies which are debarred from accessing the capital markets by the SEBI.
- c. Neither our Company nor our Promoter or Directors is a wilful defaulter or fraudulent borrower.
- d. None of our Promoter or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**We further confirm that:**

In accordance with Regulation 246 of the SEBI ICDR Regulations, the Book Running Lead Manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.

In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer is 100% underwritten and shall not restrict to the minimum subscription level. The LM shall underwrite at least 15% of the total offer size. For further details pertaining to underwriting please refer to chapter titled “*General Information*” beginning on page 39.

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, otherwise, the entire application money will be unblocked or refunded forthwith. If such money is not unblocked or repaid within four days from the date our company becomes liable to unblock or repay it, then our company and every officer in default shall, on and from expiry of fourth day, be liable to unblock or repay such application money, with interest as prescribed under SEBI ICDR Regulations and section 40 of the Companies Act, 2013.

**COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations.

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER KHAMBATTA SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE 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 COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KHAMBATTA SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 09, 2022 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 THE 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 registration of this Prospectus with the RoC in terms of section 26 and 28 of the Companies Act, 2013.

**DISCLAIMER FROM OUR COMPANY, SELLING SHAREHOLDERS AND THE BOOK RUNNING LEAD MANAGER**

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this 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.deneerstools.com](http://www.deneerstools.com), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

Our Company and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Khambatta Securities Limited and Share India Capital Services Private Limited are not associates of the Company and are eligible to be appointed as the Book Running Lead Managers in this Offer, under SEBI MB Regulations.

Investors who apply in this Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Neither our Company nor Book Running Lead Manager is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Further, the selling shareholders will be severally responsible for the respective statements confirmed or undertaken by it in this Prospectus in relation to itself and its respective portion of the offered shares.

**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 Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform 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 Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE OF THE NSE**

As required, a copy of the Red Herring Prospectus shall be submitted to the NSE (NSE Emerge). The Disclaimer Clause as intimated by the NSE (NSE Emerge) to us, post scrutiny of the Red Herring Prospectus, shall be included in the Prospectus prior to the filing with RoC.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## LISTING

Application have been made to NSE Emerge for obtaining permission for listing of the Equity Shares being offered and sold in the Offer on its NSE Emerge 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 February 15, 2023 to use name of NSE in the Prospectus for listing of equity shares on NSE Emerge.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE Emerge, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If any such money is not unblocked within four (4) days after the issuer becomes liable to unblock it then our Company and every director of the company who is an officer in default shall, on and from the expiry of the fourth (4) day, be jointly and severally liable to unblock that money with interest at the rate of fifteen per cent per annum (15% pa) as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within six (6) Working Days of the Offer Closing Date.

## CONSENTS

Consents in writing of: (a) The Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the Book Running Lead Manager, Registrar to the Offer, the Legal Advisors to the Offer, Banker to the Issue, Bankers to the company, Market Maker and Underwriters to act in their respective capacities, have been or shall be duly obtained as the case may be and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and Section 28 of the Companies Act, 2013.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s CA Gautam Sehgal, Chartered Accountants, Statutory and Peer Review Auditors, have provided their written consent dated November 11, 2022 for the inclusion of their name and Statement of Tax Benefits dated November 22, 2022 on possible tax benefits which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Prospectus.

## EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on Restated Financial Statements for the financial years ended March 31, 2022, 2021, and 2020 as included in this Prospectus, our Company has not obtained any expert opinion.

Here, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act

## PREVIOUS PUBLIC OR RIGHTS 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 Offer 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 49, our Company has not made any capital issue during the previous three years.

We do not have any listed Group Company / Subsidiary / Associate as on date of this Prospectus.

## PERFORMANCE VIS-À-VIS OBJECTS

Except as stated in the chapter titled “*Capital Structure*” beginning on page 49, 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 Offer 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.

## PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS

### A. Khambatta Securities Limited

Sr. No.	Issue name	Issue size (Rs. Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (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
1.	Rudrabhishek Enterprises Limited	18.73	41	July 13, 2018	41.25	-1.68[+3.05]	-1.56[+2.32]	+15.95[+0.60]
2.	Gayatri Rubbers and Chemicals Limited	4.58	30.00	February 07, 2023	35.00	+7.00[-0.01]	NA	NA
3.	Vels Films International Limited	33.74	99	March 22, 2023	101	NA	NA	NA
4.	Quality Foils (India) Limited	4.52	60	March 24, 2023	100	NA	NA	NA

Source: Price Information [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

### Summary statement of price information of past issues handled by Khambatta Securities Limited:

Financial Year	Total no. of IPOs	Total Funds raised (Rs. 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%
2022-23	3	42.84*	-	-	-	-	-	1	-	-	-	-	-	-

2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\*The scrip of Gayatri Rubbers and Chemicals Limited has not crossed the 90 day benchmark and the scrips Vels Films International Limited and Quality Foils (India) Limited have not crossed the 30 day benchmark.

Note: Rights Issue of HKG Limited, a company earlier listed on BSE SME, was lead managed by Khambatta Securities Limited in the Financial Year 2021-2022 and the same has not been included in the above-mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.

Notes:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrip are not traded then last trading price has been considered.
- N.A. - Not Available.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

#### B. Share India Capital Services Private Limited

Sr. No	Issue name	Issue size (Rs. Crores)	Issue price (Rs.)	Listing Date	Opening price on Listing Date (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
1.	Humming Bird Education Limited	2.15	132.00	28.03.2019	132.00	141.00 [6.81%]	521.61 [1.35%]	No Change
2.	Anmol India Limited	10.23	33.00	21.02.2019	33.60	32.40 [-3.57%]	2266.26 [6.31%]	30.00 [-10.71%]
3.	Maiden Forgings Limited	23.84	63.00	06.04.2023	63.00	-	-	-
4.	Exhicon Events Media Solutions Limited	21.12	64.00	17.04.2023	64.00	-	-	-

Source: Price Information [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

**Summary statement of price information of past issues handled by Share India Capital Services Private Limited:**

Financial Year	Total no. of IPOs	Total Funds raised (Rs. 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		
			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%
2022-23	02	44.96	-	-	-	-	-	1	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**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 Book Running Lead Managers at: [www.khambattasecurities.com](http://www.khambattasecurities.com) and [www.shareindia.com](http://www.shareindia.com).

**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 Company have appointed Bigshare Services Private Limited as the Registrar to the Offer, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch.

The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Offer will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board has also constituted a Stakeholders' Relationship Committee. The composition of the Stakeholders' Relationship Committee is as follows:

Name of the Directors	Nature of Directorship	Designation in Committee
Mr. Aarti Arora	Chairman	Independent Director
Mr. Dhikash	Member	Independent Director
Mr. Rajesh Gupta	Member	Independent Director

For further details, please see the chapter titled "*Our Management*" beginning on page 113.

Our Company has also appointed Ms. Nisha Shaw, as the Compliance Officer of the Company and she may be contacted at the Registered Office of our Company.

**Ms. Nisha Shaw**

**De Neers Tools Limited**

PNo. 468, Ground Floor, Industrial Area Patparganj,

East Delhi Delhi-110092, India

Tel No.: 011 47072555

E-mail: [compliance@deneerstools.com](mailto:compliance@deneerstools.com)

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

**STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Offer, to handle the investor grievances in coordination with our Company. All grievances relating to the present Offer may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Offer to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Offer will handle investor's grievances pertaining to the Offer. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Offer in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Offer or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Book Running Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

### AUTHORITY FOR THE ISSUE

The present Public Issue of upto 22,76,400 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on November 10, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on November 11, 2022 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

### RANKING OF EQUITY SHARE

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled “Main Provision of Articles of Association” beginning on Page No. 204 of the Red Herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled “Dividend Policy” beginning on Page No. 133 of the Red Herring Prospectus.

### FACE VALUE AND ISSUE PRICE

The face value of each Equity Share is ₹ 10/- and the Issue Price is ₹ 101 (“**Issue Price**”).

The Price Band and the minimum Bid Lot was decided by our Company in consultation with the BRLM and disclosed in the Red Herring Prospectus. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price were disclosed in the Red Herring Prospectus and was available on the website of the Stock Exchange. The Issue Price has been determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page 69.

#### COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

#### MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated December 01, 2021.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated November 09, 2022.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of 1200 Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1200 Equity Shares subject to a minimum allotment of 1200 Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

#### MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in the Issue shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## JURISDICTION

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

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

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 49 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Main Provision of Articles of Association*" on page 204.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept

any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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 limit under laws or regulations.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

## ISSUE PROGRAM

Events	Indicative Dates
<b>Bid/Issue Opening Date</b>	Friday, April 28, 2023
<b>Bid/Issue Closing Date</b>	Wednesday, May 03, 2023
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before Monday, May 08, 2023
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or before Tuesday, May 09, 2023
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or before Wednesday, May 10, 2023
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before Thursday, May 11, 2023

\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Red Herring Prospectus may result in changes to the abovementioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

## SUBMISSION OF BIDS

### **Bid/Issue Period (Except The Bid/Issue Closing Date)**

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

### **Bid/Issue Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

### **On the bid/issue closing date, the bids shall be uploaded until:**

- i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken.

Our Company in consultation with the BRLM, reserved the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

**There was no revision in the Price Band during the bidding period.**

### MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten.

Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

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

### MIGRATION TO MAIN BOARD

Our company may migrate to the main board of National Stock Exchange of India Limited at a later date subject to the following:

- a. If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to National Stock Exchange of India Limited for listing of its shares on its Main Board

subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b. If the paid-up Capital of our company is more than ₹ 10 Crores but below ₹ 25 Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company desiring to migrate to the Main board from the SME Board within two years of listing on Emerge platform of National Stock Exchange of India Limited has to fulfil following conditions:

- a. The increase in post issue face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.
- b. The company should have a minimum turnover of ₹ 100 crore as per last audited financials and market capitalization of ₹ 100 crore.
- c. The company should have a minimum profit before tax of ₹ 10 crore for two years out of three preceding years.
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.

#### **MARKET MAKING**

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page 39.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 1200 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 Emerge Platform of National Stock Exchange of India Limited.

#### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution in the Issue as detailed in the chapter “*Capital Structure*” beginning on page 49 and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the 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.

#### **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.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guideline prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than ₹ 10 crores, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page no. 160 and 171 respectively.

This public issue comprises of upto 22,76,400 equity shares of face value of ₹10/- each for cash at a price of Rs. 101 per equity share including a share premium of Rs. 91 per equity share (the “issue price”) aggregating to Rs. 2,299.16 Lakhs (“the issue”) by our company. The Issue and the Net Issue will constitute 26.45% and 25.11% respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process<sup>(1)</sup>:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	1,15,200 Equity Shares	5,41,200 Equity Shares.	7,98,000 Equity Shares	8,22,000 Equity Shares
<b>Percentage of Issue size available for allocation</b>	5.06% of the issue size	25.04% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	36.92% of the Net Issue	38.03% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows: a. Up to 27,600 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b. Up to 5,13,600 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per(a) above	Proportionate	Proportionate

<b>Mode of Bid</b>	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process, through banks or by using UPI ID for payment	Through ASBA Process, through banks or by using UPI ID for payment
<b>Mode of Allotment</b>	Compulsorily in dematerialized form			
<b>Minimum Bid Size</b>	1,15,200 Equity Shares in multiple of 1200 Equity shares	Such number of Equity Shares and in multiples of 1,200 Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of 1,200 Equity Shares that Bid size exceeds ₹ 200,000	1200 Equity Shares in multiple of 1200 Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
<b>Maximum Bid Size</b>	1,15,200 Equity Shares	Such number of Equity Shares in multiples of 1,200 Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of 1,200 Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of 1,200 Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
<b>Trading Lot</b>	1200 Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	1200 Equity Shares and in multiples thereof	1200 Equity Shares and in multiples thereof	1200 Equity Shares
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form.			
<b>Mode of Bid</b>	Only through the ASBA process			

*Note: The QIB, Non-Institutional and Retail portion were changed pursuant to a Corrigendum published on April 25, 2023 in Financial Express, Jansatta and Delhi Edition of Regional newspaper Pratah Kiran. The same was submitted with Designated Stock Exchange, Registrar to the Offer, RoC and SEBI.*

- 1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- 2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- 3) Subject to valid Bids being received at or above the issue price, 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.

## WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA

Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Red Herring Prospectus with RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Delhi.

## BID/ ISSUE PROGRAMME:

Events	Indicative Dates
<b>Bid/Issue Opening Date</b>	Friday, April 28, 2023
<b>Bid/Issue Closing Date</b>	Wednesday, May 03, 2023
<b>Finalization of Basis of Allotment with the Designated Stock Exchange</b>	On or before Monday, May 08, 2023
<b>Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account</b>	On or before Tuesday, May 09, 2023
<b>Credit of Equity Shares to Demat accounts of Allottees</b>	On or before Wednesday, May 10, 2023
<b>Commencement of trading of the Equity Shares on the Stock Exchange</b>	On or before Thursday, May 11, 2023

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- i. A standard cut-off time of 3.00 p.m. for acceptance of bids.
- ii. A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- iii. A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE 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 Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. 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 Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, 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/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue has been undertaken pursuant to the processes and

procedures under UPI Phase II, 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, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular shall come into force for initial public Issues opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the

information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

#### **BOOK BUILDING PROCEDURE:**

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.**

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles.

Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a. Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b. Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- c. Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited (www.nseindia.com).*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.**

**The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.**

**An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)**

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained A syndicate member (or sub-syndicate member) A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
2.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
3.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

**Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.**

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("Cut- Off Time"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

## WHO CAN BID?

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a. Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d. Mutual Funds registered with SEBI;
- e. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non- Institutional Bidder 's category;
- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k. Foreign Venture Capital Investors registered with the SEBI;
- l. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p. Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r. Multilateral and bilateral development financial institution;
- s. Eligible QFIs;
- t. Insurance funds set up and managed by army, navy or air force of the Union of India;
- u. Insurance funds set up and managed by the Department of Posts, India;

- v. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non- resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Bidders**

The Application must be for a minimum of 1200 Equity Shares and in multiples of 1200 Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

**2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2400 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM have decided the Price Band and the minimum Bid lot size for the Issue in compliance with Reg. 250(4) of SEBI ICDR Regulations, 2018.

The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a. The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Delhi Edition of Regional newspaper Pratah Kiran, Delhi where the registered office of the company is situated, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c. The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d. The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- e. Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cutoff Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with who the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking

facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.

8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by

using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non-repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “Restrictions on Foreign Ownership of Indian Securities” beginning on page 202 Participation of eligible NRIs shall be subject to FEMA NDI Rules.

#### BIDS BY FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, ailing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- i. such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- ii. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for

Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (“Operational FPI Guidelines”), submitted with the same PAN but with different beneficiary account

numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“MIM Bids”). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “MIM Structure”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFs, VCFs AND FVCIs**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

## BIDS BY BANKING COMPANIES

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non- financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paidup share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paidup share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see "*Key Industry Regulation and Policies*" beginning on page 102.

## BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

## BIDS BY SYSTEMICALLY IMPORTANT NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

## BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a. equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

## BIDS BY ANCHOR INVESTORS

As on the date of this Prospectus, we have not allocated Equity Shares for Anchor Investors in this Offer.

Our Company in consultation with the BRLM, may later consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below -

1. Anchor Investor Bid cum Application Forms shall be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLM, may finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application

Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **TERMS OF PAYMENT**

The entire Issue price of Rs. 101 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.

### ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - i. The applications accepted by any Designated Intermediaries
  - ii. The applications uploaded by any Designated Intermediaries or
  - iii. The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

- a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

#### WITHDRAWAL OF BIDS

- a. RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### PRICE DISCOVERY AND ALLOCATION

- a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.
- b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.

In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

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

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

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

## GENERAL INSTRUCTIONS

### Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the

IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid

cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a RIB;
19. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
24. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
25. Do not Bid if you are an OCB; and
26. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” beginning on pages 39 and 113 respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 39.

#### **GROUNDS FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;

11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information” beginning on page 39.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the  
GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a. The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b. Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

- c. In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

## BASIS OF ALLOTMENT

### a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 8,22,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than 8,22,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 1,200 Equity Shares and in multiples of 1200 Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

### b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 7,98,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than 7,98,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

### c. For QIBs

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for 5 % (adjusted for lot size) of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds 5 % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5 % of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than 5 % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

ii. In the second instance, allotment to all QIBs shall be determined as follows:

- In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter for 95% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below 5 % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than 5,41,200 Equity Shares.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the National Stock Exchange of India Limited Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b. The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c. For Bids where the proportionate allotment works out to less than 1,200 equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted 1,200 equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d. If the proportionate allotment to a Bidder works out to a number that is not a multiple of 1,200 equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of 1,200 equity shares subject to a minimum allotment of 1,200 equity shares.
- e. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 1,200 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2. On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.
3. Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account

**Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

**Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com).

**Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- i. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
- ii. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
- iii. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 1,200 equity shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 1,200 equity shares; and

- ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,200 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1,200 equity shares subject to a minimum allotment of 1,200 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- i. We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on December 01, 2021.
- ii. We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on November 09, 2022.
- iii. The Company's Equity shares bear an ISIN No. INE0LVM01018.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper each with wide circulation and all Delhi editions of Pratah Kiran, a Hindi regional daily newspaper.

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

- a. Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Red Herring Prospectus.
- b. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

***“Any person who:***

1. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
2. *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*
3. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

#### UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with the SEBI.

#### UTILIZATION OF ISSUE PROCEEDS

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## 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 Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page 171.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page 171.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the



beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.**

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

**The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

**SECTION VIII-MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**(Last altered by the Members of the Company at the Extra-Ordinary General Meeting of the Company held on November 01, 2021 in pursuance of the Company Act, 2013)**

Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company so far as they are applicable to Public Company except so far as they have implied or expressly modified by what is contained in the Articles mentioned as altered or amended from time to time.

Article No.	Description
<b>Interpretation</b>	
I	<p>1. In these regulations unless the context otherwise require:-</p> <ul style="list-style-type: none"> <li>a. The “Company” means “De Neers Tools Limited”,</li> <li>b. “the Act” means the “Companies Act 2013” and every statutory modification or re-enactment thereof and references to Sections or Rules of the act shall be deemed to mean and include references to sections enacted in modifications or replacement thereof.</li> <li>c. "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.</li> <li>d. "the Office" means the Registered Office for the time being of the Company.</li> <li>e. "the Seal" means the common seal of the Company.</li> <li>f. Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognized by law as such.</li> <li>g. "month" and "year" means a calendar month and calendar year respectively.</li> <li>h. Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.</li> <li>i. Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.</li> </ul> <p>2. The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.</p>
<b>Share Capital and Variation of Rights</b>	
II 1	<p>1. The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the regulations of the Company and allowed by law.</p> <p>1. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such</p>

	<p>time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section</p> <p>2. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.</p> <p>3. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>4. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.</p> <p>5. (i) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, 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 Section.</p> <p>(ii) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.</p> <p>(iii) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.</p> <p>(iv) The Company may also, on any issue of shares, pay such brokerage as may be lawful.</p>
2	<p>I. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— one certificate for all his shares without payment of any charges; or several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>II. The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.</p> <p>i. for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;</p> <p>ii. for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".</p> <p>III. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions</p>

	of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.
3	<p>i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
4	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5	<p>i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>
6	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
7	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.
8	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
<b>Lien</b>	
9	Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid-up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 201 3. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
10	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>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.</p>
11	i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

	<ul style="list-style-type: none"> <li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ul>
12	<ul style="list-style-type: none"> <li>i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</li> <li>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</li> </ul>
<b>Calls on Shares</b>	
13*	<ul style="list-style-type: none"> <li>i. The Board of Directors may, from time to time, make such calls as it think fit, upon the members in respect of all moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by conditions of allotment thereof made payable at fixed time.</li> <li>ii. Each member shall, subject to receiving notice specifying the time or times and place of payment, 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.</li> <li>iii. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, in respect of one or more members as the Board may deem appropriate in any circumstances.</li> <li>iv. A call may be postponed or revoked at the discretion of the Board.</li> </ul> <p><b>*Altered Vide special resolution passed in EGM dated 01st November 2021.</b></p>
14	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
15	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16	<ul style="list-style-type: none"> <li>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</li> <li>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</li> </ul>
17	<ol style="list-style-type: none"> <li>1. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. <ul style="list-style-type: none"> <li>ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</li> </ul> </li> <li>2. Subject to the provisions of Section 50 and 179 of the Act, the Board:- <ol style="list-style-type: none"> <li>(a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and</li> <li>(b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable) at Such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (Twelve percent) per annum as may be agreed upon between the Board and the Member paying the sums or advances, money so paid in advance shall not confer a right to dividend or to participate in profits.</li> </ol> </li> <li>3. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares</li> </ol>

	<p>in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> <p>4. 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 the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.</p>
18	<p>The Board—</p> <p>a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
<b>Transfer of Shares</b>	
19	<p>1. The Company shall keep a “Register of Transfer” and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.</p> <p>2. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(ii) the transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be;</p> <p>(iii) that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law;</p> <p>(iv) that a common form of transfer shall be used;</p> <p>(v) that fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares;</p> <p>(vi) that registration of 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;</p> <p>(vii) that any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits;</p> <p>(viii) that option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings;</p> <p>(ix) Permission for Sub-Division/Consolidation of Share Certificate.</p> <p>3. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.</p> <p>4. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt</p>

	by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.
20	<p>The Board may, subject to the right of appeal conferred by section 58 of the Companies Act 2013 decline to register—</p> <ol style="list-style-type: none"> <li>a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>b. any transfer of shares on which the company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien..</li> </ol>
21	<ol style="list-style-type: none"> <li>1. The Board may decline to recognize any instrument of transfer unless— <ol style="list-style-type: none"> <li>a. The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>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</li> <li>c. The instrument of transfer is in respect of only one class of shares.</li> </ol> </li> <li>2. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.</li> </ol>
22	<ol style="list-style-type: none"> <li>a. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: <p style="margin-left: 40px;">Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p> </li> <li>b. There shall be no charge for: <ol style="list-style-type: none"> <li>a. Registration of shares or debentures.</li> <li>b. Sub-Division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;</li> <li>c. sub-division of renounceable Letters of Right;</li> <li>d. issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized;</li> <li>e. Registration of any Powers of Attorney, Letter of Administration and similar other documents.</li> </ol> </li> </ol>
<b>Transmission of Shares</b>	
23	<ol style="list-style-type: none"> <li>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a shareholder, shall be the only persons recognized by the company as having any title to his interest in the shares.</li> <li>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</li> </ol>
24	<ol style="list-style-type: none"> <li>i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— <ol style="list-style-type: none"> <li>a. To be registered himself as holder of the share; or</li> <li>b. To make such transfer of the share as the deceased or insolvent member could have made.</li> </ol> </li> <li>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</li> </ol>
25	<ol style="list-style-type: none"> <li>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</li> </ol>

	<p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
26	<p>1. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> <p>2. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the Company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.</p> <p>3. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share 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, title or interest or notice prohibiting registration of such transfer and may have entered such notice 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 for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.</p>
<b>Forfeiture of Shares</b>	
27	<p>If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.</p>
28	<p>The notice aforesaid shall—</p> <p>a. Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>b. State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
29	<p>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.</p>
30	<p>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p>

	<p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>
31	<p>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9% (nine percent) per annum.</p> <p>ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
32	<p>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
33	<p>1. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p> <p>2. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.</p> <p>3. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p> <p>4. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or 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. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.</p> <p>5. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.</p>
<b>Alteration of capital</b>	
34	<p>The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.</p>
35	<p>Subject to the provisions of section 61, the company may, by ordinary resolution,—</p> <p>a. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p>

	<ul style="list-style-type: none"> <li>b. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>c. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>d. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</li> </ul>
36	<ol style="list-style-type: none"> <li>1. The Company may, by an ordinary resolution:- <ul style="list-style-type: none"> <li>a. Convert any paid-up shares into stock; and</li> <li>b. Reconvert any stock into paid-up shares of any Denomination authorised by these regulations.</li> </ul> </li> <li>2. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</li> <li>3. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</li> <li>4. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</li> <li>5. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.</li> </ol>
37	<ol style="list-style-type: none"> <li>1. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law- <ul style="list-style-type: none"> <li>a. Its share capital;</li> <li>b. Any capital redemption reserve account; or</li> <li>c. Any share premium account.</li> </ul> </li> <li>2. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.</li> <li>3. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.</li> <li>4. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.</li> </ol>
<b>Capitalisation of Profits</b>	
38	<ol style="list-style-type: none"> <li>1. The Company in general meeting may, upon the recommendation of the Board, resolve— <ul style="list-style-type: none"> <li>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>b. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ul> </li> </ol>

	<p>2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards—</p> <ol style="list-style-type: none"> <li>i. Paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>ii. Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or</li> <li>iii. Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);</li> </ol> <p>3. Any share/securities premium account and any capital redemption reserve fund may, for the purpose 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.</p> <p>*3A. Distribute as bonus shares among the members or to place to reserve or otherwise to apply, as the Company may from time to time think fit, any monies received by way of premium on debentures or other securities issued at a premium by the Company and any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares, subject to the provisions of the Companies Act 2013.</p> <p><i>*Altered vide special resolution passed in EGM dated 01<sup>st</sup> November 2021</i></p> <p>4. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
39	<p>1. Whenever such a resolution as aforesaid shall have been passed, the Board shall:—</p> <ol style="list-style-type: none"> <li>a. Make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</li> <li>b. Do all acts and things required to give effect thereto.</li> </ol> <p>2. The Board shall have full power:—</p> <ol style="list-style-type: none"> <li>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and also</li> <li>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</li> </ol> <p>3. Any agreement made under such authority shall be effective and binding on all such members.</p>
<b>Buy Back of Shares</b>	
40	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
<b>General Meeting</b>	
41	All general meetings other than annual general meeting shall be called extraordinary general meeting.
42	<ol style="list-style-type: none"> <li>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</li> <li>ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</li> </ol>
<b>Proceedings at General Meetings</b>	
43	<ol style="list-style-type: none"> <li>1. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.</li> <li>2. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</li> </ol>

	<p>(ii) Save as otherwise provided in Section 103 of the Act, a minimum of:-</p> <ol style="list-style-type: none"> <li>a) five members personally present if the number of members as on the date of meeting is not more than one thousand;</li> <li>b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</li> <li>c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</li> </ol> <p>Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.</p>
44	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46	<ol style="list-style-type: none"> <li>1. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.</li> <li>2. No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.</li> </ol>
<b>Adjournment of Meeting</b>	
47	<ol style="list-style-type: none"> <li>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</li> <li>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</li> <li>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</li> <li>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</li> </ol>
<b>Voting Rights</b>	
48	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <ol style="list-style-type: none"> <li>a. On a show of hands, every member present in person shall have one vote; and</li> <li>b. On a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</li> </ol>
49	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50	<ol style="list-style-type: none"> <li>i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ol>
51	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

54	<p>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p>
<b>Proxy</b>	
55	<p>The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.</p>
56	<p>An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.</p>
57	<p>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:</p> <p>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.</p>
<b>Board of Directors</b>	
58	<p>The number of the Directors of the Company shall not be less than three and not more than fifteen.</p> <p>Name of first Directors shall be</p> <ol style="list-style-type: none"> <li>1. Neeraj Kumar Aggarwal</li> <li>2. Kanav Gupta</li> <li>3. Shilpy Aggarwal</li> </ol>
59	<ol style="list-style-type: none"> <li>1. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.</li> <li>2. 1. Subject to the provisions of the Companies Act, 2013 and Rules made there under each Director shall be paid sitting fees for each meeting of the Board or a committee thereof, attended by him a sum not exceeding Rs. 100,000/- (Rupees One Lacs Only);</li> <li>2. Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.</li> <li>3. The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.</li> <li>4. Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.</li> <li>5. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-</li> </ol>

	<p>a. In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or</p> <p>b. In connection with the business of the Company.</p> <p>3. The Directors shall not be required to hold any qualification shares in the Company.</p> <p>4. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.</p> <p>5. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee 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 Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.</p> <p>6. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.</p> <p>7. The Directors shall have power, at any time and from time to time, to appoint any qualified 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 held 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.</p> <p>8. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.</p> <p>9. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.</p> <p>10. The office of a Director shall become vacant:-</p> <ol style="list-style-type: none"> <li>i. On the happening of any of the events provided for in Section 167 of the Act;</li> <li>ii. On the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;</li> <li>iii. If a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.</li> <li>iv. In the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or On resignation of his office by notice in writing and is accepted by the Board.</li> </ol>
60	The Board may pay all expenses incurred in getting up and registering the company.

61	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62	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.
63	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.</p>
65	<p>1. i. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. ii. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p> <p>2. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>3. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.</p> <p>4. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.</p>
66	<p>i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>
67	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68	<p>1. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.</p> <p>2. Subject to the restrictions contained in Section 179 &amp; 180 of the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as it think fit and it may, from time to time, revoke such delegation and discharge any such committee of the Board either wholly or in part, and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.</p>

	3. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
69	<p>i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>
70	<p>i. A committee may elect a Chairperson of its meetings.</p> <p>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.</p>
71	<p>i. A committee may meet and adjourn as it thinks fit.</p> <p>ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p>
72	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73	Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority 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 as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.
<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
74	<p>Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>
75	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
<b>The Seal</b>	
76	<p>1. The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.</p> <p>2. Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the company shall not be affixed to any Instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>
<b>Dividends and Reserves</b>	
77	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79	<p>i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for 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, thinks fit.</p> <p>ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>
80	<p>i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p>ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>
81	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.
82	<p>i. Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>
83	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.
84	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85	No dividend shall bear interest against the company.
<b>Accounts</b>	
86	<p>1. The Board shall cause proper books of accounts to be maintained under Sections 128 &amp; 129 of the Act.</p> <p>2. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>3. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
<b>Winding Up</b>	
87	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p>

	<p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
<b>Indemnity</b>	
88	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p>
<b>Others</b>	
<b>Share Warrants</b>	
89	<p>1. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.</p> <p>2. 1. The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.</p> <p>2. Not more than one person shall be recognised as depositor of the share warrant.</p> <p>3. The Company shall, on two days written notice, return the deposited share warrant to the depositor.</p> <p>3. 1. Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.</p> <p>2. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.</p> <p>4. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.</p>
<b>Managing Director(s) and Whole Time Director(s)</b>	
	<p>1. Subject to provisions of Section 196 &amp; 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.</p> <p>2. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.</p>

	<p>3. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.</p>
<p><b>Balance Sheet and Profit and Loss Account</b></p>	
	<p>1. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.</p>
<p><b>Audit</b></p>	
	<p>1. a. The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b. The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting</p> <p>c. The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d. The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>
<p><b>Secrecy</b></p>	
	<p>1. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p>

## SECTION XI – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus to be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at PNo. 468, Ground Floor, Industrial Area Patparganj Delhi-110092 India, from date of filing Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### MATERIAL CONTRACTS TO THE ISSUE

1. Memorandum of Understanding dated December 07, 2022 between our Company and Securities Limited (BRLM).
2. Memorandum of Understanding dated April 17, 2023 between our Company and Share India Capital Services Private Limited (BRLM).
3. Agreement dated December 07, 2022 between our Company and the Registrar to the Issue.
4. Underwriting Agreement dated April 17, 2023 between our Company and the Underwriters.
5. Market Making Agreement dated April 17, 2023 between our Company, the Book Running Lead Manager and the Market Maker.
6. Public Issue Account agreement dated April 11, 2023 among our Company, the Book Running Lead Manager, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
7. Tripartite agreement dated December 01, 2021, among NSDL, our Company and the Registrar to the Issue.
8. Tripartite agreement dated November 09, 2022, among CDSL, our Company and the Registrar to the Issue.

#### MATERIAL DOCUMENTS TO THE ISSUE

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated July 26, 2021 bearing Corporate Identification Number as U29309DL2021PLC384229 under the name De Neers Tools Limited.
3. Resolution of the Board of Directors dated November 10, 2022 authorising the Issue.
4. Resolution of the shareholders dated November 11, 2022, under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.
5. Auditor's Report dated May 05, 2023 on the Restated Financial Information of our Company included in this Prospectus.
6. The Statement of Possible Tax Benefits dated November 22, 2022 from our Statutory Auditors included in this Prospectus.
7. Consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory & Peer Review Auditor, Banker to our Company, Banker to the Issue, the Book Running Lead Manager, the Underwriter, the Market Maker, Registrar to the Issue, Legal Advisor to act in their respective capacities.
8. Copy of approval from NSE vide letter dated February 15, 2023 to use the name of NSE in the Prospectus for listing of Equity Shares on Emerge Platform of NSE.
9. Due Diligence Certificate dated January 09, 2023 from the Book Running Lead Manager.
10. Copy of Managing Director Agreement between Neeraj Kumar Aggarwal and our Company dated July 28, 2021 for his appointment.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Neeraj Kumar Aggarwal Managing Director DIN: 08058134	Sd/-

**Date:** May 05, 2023

**Place:** Delhi



### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Name and Designation	Signature
Kanav Gupta Whole Time Director and Chief Financial Officer DIN: 06802701	Sd/-

**Date:** May 05, 2023

**Place:** Delhi

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE WHOLE TIME DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Shilpy Aggarwal Whole Time Director DIN: 08058135	Sd/-

**Date:** May 05, 2023

**Place:** Delhi

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Rajesh Gupta Independent Director DIN: 03430497	Sd/-

**Date:** May 05, 2023

**Place:** Delhi

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Aarti Arora Independent Director DIN: 09573758	Sd/-

**Date:** May 05, 2023

**Place:** Delhi

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

Name and Designation	Signature
Dhikash Independent Director DIN: 07678926	Sd/-

**Date:** May 05, 2023

**Place:** Delhi

### DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:

Name and Designation	Signature
Nisha Shaw Company Secretary and Compliance Officer Membership No.: A68119	Sd/-

**Date:** May 05, 2023

**Place:** Delhi